

A HISTORY OF
BRITISH POLITICS
FROM THE YEAR 1900

By
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To
MY FATHER AND MOTHER

Preface

There are people who regard politics with contempt ; who boast that it interests them not at all. Yet it is through political thought and action that nations are governed, and no individual can remain unaffected by the consequences of government. To profess no interest in politics is tantamount to admitting no concern for one's own personal well-being. It implies a lack of community sense and a desire to shed the duties of citizenship.

Apart from the inherent foolishness of such a "holier than thou" attitude it is unrealistic to be aloof from national politics. The succeeding pages of this book illustrate how directly and consistently politics and politicians have affected the life and fortunes of all who have lived in these islands during the past 55 years. Thus it is not only socially wrong but personally injudicious to withdraw from all things political. There is still much truth in the adage that the country—for which may be read "the electorate"—gets the government it deserves. In fine, the greater the number of people with an active sense of political responsibility, the more carefully will Parliament seek to govern and the more precisely will its Members try to reflect the public will.

That political activity has harsh and unpleasant features none can gainsay. Because man is imperfect it is inevitable that his attempts to organize his own life, and that of his fellows, will also be imperfect. The sense of power and the material rewards that politics can bestow constantly test human frailty, and sometimes cause the darker side of human character to be uppermost in political life. But to recognize this is merely to acknowledge the obvious. Far from denigrating the importance of politics it emphasizes the need for every elector to maintain a continuing interest in the tasks of government and in the conduct of those who have to carry out such tasks.

Apart altogether from this direct bearing which politics has on personal and corporate life it is also worthy of study because of the major contribution it makes to national history. Remove political events from such a context and there is not much left. Yet modern, domestic history is little taught in the schools and all too inadequately at the universities. It is certainly easier to look far back than to the immediate past. On what happened long ago the evidence has been collated and sifted, and judgments have been

made. As we move closer to our own day the very nearness of events and personalities tends to blind us to their relevance, to their character, and to their relative importance in the moving flow of life.

For just such reasons I have striven to provide in this book a narrative of the principal political happenings in Britain since the turn of the century. It is as easy to forget recent events as it is difficult to place them in proper perspective. Memory absorbs but does not digest them. Names are soon forgotten; dates cannot be recalled; the whys and wherefores of certain actions will not come to mind.

The period here covered is peculiarly fascinating. In all British political history no half-century has contained more incidents of major consequence, nor produced statesmen of more varied calibre. If no precise pattern emerges—and it is still arguable whether history unfolds as a pattern—there are trends and developments clearly discernible. But merely to perceive them is not enough. Some understanding of how and why they were caused is also desirable.

It is possible to know much, yet for that much to be too little. Professor Herbert Butterfield (*History and Human Relations*, Collins) has said: "There is a profound sense in which all histories—like all scientific interpretations of the universe—are only interim reports". He is right. History is, or should be, an attempt to discover and present the truth about the conduct of men and affairs. In the sphere of politics such truth—complete and absolute—often lies well below the level of public utterances and official statements. Not all the facts necessary for the formulation of a fair judgment may be available to the historian at a given moment in time. Nevertheless, it is my hope that this "interim report" will be of value to the student of politics and to the layman with a general interest in the subject. It certainly contains some precise and factual data which no further research can controvert.

What emerges pre-eminently from this summary of more than half the twentieth century is the variety and magnitude of the problems with which British statesmen have had to deal. I have tried to withhold comment on their conduct but histories have been written, including some that cover parts of this period, in which the personal views of the authors have—I think, improperly—coloured their writing. It is not easy to subjugate such views and prejudices but, in the presentation of history, a stern attempt to do so should be made.

Complete objectivity is impossible because the very process of selection—and there had to be much selection in the compilation of this book—involves personal judgments. My aim has been to enable the reader to form his own conclusions about the parties, policies and personalities of the past fifty-five years.

An exhaustive history of British politics during this period would fill many volumes. What follows here can be only a survey of outstanding facts and significant developments in the political scene from 1900 to the present day.

Do men govern events, or events men? Does history repeat itself? Can lessons from the past be valid for the future? Such questions are implicit in any political narrative that tells of half-a-century.

The causes and consequences of developments in our recent political and social history have yet to be fully analysed. The decline of Liberalism, the growth of Socialism, the place of women in politics, the dangers and growth of delegated legislation, the supremacy of the Cabinet, the strength of the Party machines, nationalization, the provision by the State of social services, the problems of defence in an atomic age—these are only some of the new elements in British politics that before 1900 were non-existent.

While this process of change continues the customs and traditional processes of Parliament remain. It rests with the future to reveal what alterations, if any, there yet may be.

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The combination of responsible leadership by Government with responsible criticism in Parliament is the essence of our Constitution. Our aim must be to preserve it through the inevitable changes which the needs and demands of each generation bring about its outward structure and in the adjustment of its parts.

PARLIAMENT: A SURVEY. British Parliamentary Government, by L. S. Amery (George Allen & Unwin.)

CHAPTER ONE

The End of An Age

Rising Prosperity—More Legislation—The Boer War—The “Khaki” Election—Churchill Enters Parliament—Royal Titles Act—Balfour Succeeds Salisbury—Education Bill, 1902—Protectionism versus Free Trade—Campbell Bannerman Becomes Prime Minister

THE years from 1900 to 1950 have constituted the most eventful half-century in the history of British politics. Within its span the Liberal Party formed its greatest Government—in 1906—and has since withered away. The Labour Party has come into being and has held office at Westminster. The Welfare State has been created. Some of our greatest industries have been nationalized. All this has happened without destruction of our traditional Parliamentary system. That is the outstanding political fact of the period. It is a tribute to the efficacy and elasticity of our democratic methods.

Queen Victoria was still on the throne and Lord Salisbury's Government of Conservatives and Liberal Unionists was in power when the new century began. The political barometer was already set at “change,” but none was then to foresee how tumultuous would be the revolution accomplished fifty years hence. Change was apparent in many things ; primarily in the new and strident Imperialism. Pride of Empire was more overtly self-conscious than it had been in the middle of the nineteenth century. Nor was this only because of the many additions made to the Empire during the last two decades of the 1800's. It was a defensive reaction against the growing Imperial strength of Germany, France, Italy and Belgium. Their Empires had been expanding concurrently with the extension of the British Empire, so offering a new challenge to British world supremacy. And the United States was rapidly developing its industrial and economic strength. Against all this Britain had to protect its power and authority. No more were they to be taken for granted either at home or abroad.

The Boer War, a year old in 1900 and with two years of fighting yet to run, was pre-eminently a symptom, but also a cause of change. The war was an ill-considered adventure from a military standpoint. It revealed great weaknesses in Britain's military organization. This surprised world opinion, which was already

critical of the attack on the Boers. It led not only to Haldane's military reorganization, but also persuaded Lord Salisbury and his Ministers that Britain could no longer pursue an isolationist policy. Instead it had to work and be allied with other Powers.

Of the war's political significance David Thomson (*England in the Nineteenth Century*, Pelican Books, pp. 208, 209, 210) writes :

"The chief domestic importance of the war was that it split British public opinion, and especially Liberal opinion, into the pro-war party, including the Conservatives and the Liberal Imperialists led by Lord Rosebery, and the 'pro-Boer' party, led by Morley and Campbell-Bannerman and supported by the Independent Labour Party. . . . Lloyd George, above all, made his name as a courageous opponent of the war. . . . If it further contributed to the splintering of the Liberal Party, it paved the way for a fruitful collaboration between the more radical Liberals and the Labour Party in the years after 1906."

The reference to the Independent Labour Party draws attention to another indication of change at the turn of the century. There was in existence for the first time a third political party and in 1906 the Labour Party proper was to be formed. The two-Party system, whose continuity had not been seriously questioned through the centuries, was about to be challenged for the first time.

It is important to remember in what circumstances these new Parties were created. Keir Hardie formed the I.L.P. in 1893. The Labour Party was established in 1906 after the Labour Representation Committee, founded in 1900, had won twenty-nine seats in the 1906 election, having put up fifty-one candidates. The Committee became the Party after this substantial success at the polls.

The relevance of these events lies in the achievement of specific Parliamentary representation for organized working-class and trade union views and interests. They were a consummation of hopes and ideas propounded and nurtured during the nineteenth century with growing fervour by men and women from a variety of social levels. The Rochdale Pioneers, the London Working Men's Union and the Chartists, in the first half of the century, and the Fabian Society formed in 1884 expressed the aspirations and discontents of a section of society that was not represented by or through the Conservative or Liberal Parties. There were three nations, not two : the aristocracy and landed gentry ; the industrialists and the professional middle classes ; and a now conscious, organized working class lacking its own exclusive Parliamentary voice.

The developing strength of an organized Labour movement during the nineteenth century can be described in another context. Not only did it grow consciously to seek improvement of the social and economic lot of those it represented. By its very nature and purpose it was in conflict with the *laisser-faire* doctrine that had for so long characterized national policy. Ernest Barker has an excellent definition of the doctrine (*Political Thought from Spencer to To-day*, Home University Library, p. 19):

“*Laisser-faire* means, on the one hand, and in domestic politics, a restriction of governmental activity to the bare minimum: on the other hand, and in foreign affairs, a policy of free trade and of friendship between nations.”

In its ultimate and absolute form the doctrine placed all its emphasis on the rights of the individual, rather than those of the community. Its protagonists were more concerned with these rights than they were with duties and it was at this point that *laisser-faire* began to be discredited—even within the Liberal Party of the last century—inasmuch as social legislation increased in volume under both Liberal and Conservative administrations as 1900 approached.

Ramsay Muir (*Civilization and Liberty*, Jonathan Cape, p. 209) sets the beginning of the abandonment of *laisser-faire* very early on in the century. Writing of the period immediately following 1830 he comments:

“It is often said that *laisser-faire* was at its height in this period. It would be more true to say *laisser-faire* began to be abandoned. Both the Factory Act of 1833, and the beginning of Government interferences with education, were definite breaches with *laisser-faire*: the more so as, in both cases, staffs of inspectors were appointed to supervise their work. The reports of these inspectors brought about the long series of factory and mines Acts, and gradually created an educational code. The rudiments of a new bureaucracy, such as any State needs that starts upon the task of social re-organization, were being created.”

In an academic sense Ramsay Muir's contention is probably correct; but a more conscious departure from the doctrine did not come until much later in the century, influenced by the agitation of an increasingly well-organized labour movement. It is this fact, and its effects by 1900, that are of special relevance to an assessment of the political situation in Britain at the opening of the twentieth century.

Industrial and social conditions were not wholly deplorable at this time. The country was prosperous; its international trade

was substantial; London was still the unquestioned centre for world finance. There was better working-class housing than there had been, working conditions generally had improved and money had increased in value, so making wages worth more. Food and clothing were available to more people and in greater abundance than formerly. Electricity was hastening the disappearance of gas and oil lamps. The birth rate was up and the death rate down. G. M. Trevelyan says in his *English Social History* (Longman, p. 558) that the Queen's Jubilees of 1887 and 1897 were celebrated "by all classes with real pride and thankfulness, due in part to a sense of delivery from the conditions endured at the beginning of her reign, for the 'hungry forties' were still remembered."

That social legislation was not a Parliamentary issue is proved by the subject that so exercised Parliament in the last years of the old century and the first years of the new one—the Irish question. Like the Boer War it drove divisions within the Parties, as well as between them. Nor was there to be a settlement until Home Rule and partition were effected several years after the first world war.

Despite the absence of heavy pressure from the electorate for special legislation there was a general extension, as already indicated, of Governmental concern for the welfare of the community resulting in increased legislative programmes in each succeeding session. One result of this was more delegated legislation which, though it aroused little worry among supporters of either the Government or Opposition at the time, was in later years to cause real anxiety to members of all Parties, but more particularly the Liberals.

Because the amount of delegated legislation now accepted by Parliament is so great, and because it so grossly enhances the power of Government departments, it is worth noting what Professor G. W. Keeton has to say about the period at the end of the nineteenth century when the practice was first initiated on a scale approximating to that which was later to be developed. The process was not one which bothered the individual elector and it troubled the politicians little more. Because Parliament has latterly been called on to pass so much legislation—with the consequence that the maintenance of adequate democratic control over the Government's will and the powers of the Departments has become acute—the following passage from Professor Keeton's *The Passing of Parliament* (Benn, pp. 19 and 20) is quoted *in extenso*:

"The development of social services, with their new techniques

of social control, produced a crop of new problems for Parliament. To define the social regulations of million of lives, or of important branches of industry, in terms of legislation is never easy. Statutes became longer and more complex as successive volumes of late nineteenth-century statutes will show.

“Even so, the machinery of control needed to be more complex than an Act of Parliament permitted. Control is always experimental, and it needs progressive modification, if its objects are to be achieved. Hence, there arose the practice of defining the broad objects of social change in a statute, leaving the department charged with its administration to devise the necessary regulations for its enforcement. Such regulations, in origin at least, were subordinate to the statute to which they owed their origin. They were, moreover, subject to Parliamentary scrutiny and repeal. Thus it came about that Maitland, writing so long ago as the middle-eighties, could say: ‘We are becoming a much-governed nation, governed by all manner of councils and boards and officers, central and local, high and low, exercising the powers which have been committed to them by modern statutes.’

“Already before the end of the nineteenth century, the process of submitting all this departmental legislative activity to Parliamentary control was causing anxiety, but two successive Parliamentary Counsel, Sir Henry Jenkyns and Lord Thring, were able to offer reassurance by reaching the conclusion that it was a great advantage to be able to save Parliamentary time by leaving the details to the departments, leaving a greater amount of time for matters of more general concern, whilst any attempt to by-pass Parliamentary scrutiny could be checked by the process of laying draft orders before the House. Neither distinguished counsel, however, attempted to explain who was going to exercise this check, if Parliamentary time was increasingly consumed with ‘more serious questions’.”

It is not stretching the point overmuch to claim that the situation described in that question foreshadowed much of what was to happen in the political future. If the stream of legislation was becoming difficult for Parliament to control in those days, how much more was it to be so of the torrent from 1945 onwards?

But there were no Party outcries at the time. In 1900 the principal concern of Members in all parts of the House of Commons was the Boer War. The Relief of Mafeking, which came in May, was wildly celebrated in London. A belief spread that the war was nearing its end and by September the Government had decided to go to the country. Tactically, the decision was shrewd. Despite

the unpopularity of the war in other countries the British public supported it and was "with" the Government.

The Liberals denounced the "Khaki Election"; this "cashing in" by the Government on the improving war situation when its term of office was still assured for a further year. It was not surprising that they should resent an election because of their own weakness, due to internal dissensions over the rightness of the war. Mr. Asquith, Mr. Haldane and Sir Edward Grey approved the conflict. Lloyd George and Morley were among the denouncers. Sir Henry Campbell-Bannerman, the Liberal Party Leader, stood impossibly between the two groups. The Division list on a pro-Boer motion debated in the Commons in July, 1900, shows that forty Liberals voted with the Government, thirty-one voted against the Government and for the motion; Campbell-Bannerman and thirty-five other Liberals abstained. No more thorough-going split within a political Party on a specific issue has occurred since. Small wonder that the Government decided to go to the country and consolidate itself for a further seven years.

The mistaken belief that the war was nearing its end also justified Lord Salisbury in claiming that the country should be asked to decide which Party was to be entrusted with the peace-making that was presumed to be imminent. When the election came in the autumn the Government's self-confidence was justified. The Unionist Party, of whom 334 were Conservatives, won 402 seats. Their net gain was six. Many seats were not contested. The Liberals returned 186 and the Irish Nationalists 82.

Among the new Members was twenty-six-year-old Winston Churchill, returned as a Conservative for Oldham. His Boer War despatches had already brought him to public notice. The distinction of his name and birth were assurances of commendation. None was to foresee that fifty years later he would be the man of the century in Britain, if not in the world. In retrospect his entry into Parliament in the first year of the century, ready for all that was to happen to the fortune and politics of Britain, appears now to be a remarkable coincidence. Nor was he to wait long for office (1905) in the "Government of all the talents"—not the last Liberal Government, but assuredly the greatest.

Meanwhile the war was to drag on uncomfortably, and to the growing distaste of the public. Queen Victoria died on January 22, 1901, and with her an age. Peace, prosperity, expansion; great statesmen; the industrial revolution; the beginnings of Socialism; all were contained in it. But none of the terror, struggle and despair that were to characterize the years ahead.

Edward VII's accession speedily involved Parliament in changes affecting the Sovereign. The Civil List Act of July 2, 1901, was a great improvement on its predecessor of 1889. Its total provisions amounted to £470,000 a year, compared with the £385,000 voted to Queen Victoria. But the surrendered hereditary revenues were worth £452,000, having risen in value during Victoria's reign from £245,000.

The passing of the Royal Titles Act gave statutory recognition to the expanding Empire. With the agreement of all Parties the Royal title newly declared the Sovereign to be King not only of the United Kingdom of Great Britain but also "of the British Dominions beyond the Seas."

On May 31, 1902, the Boer War was concluded; but it had become so wearisome that the people had not the spirit to celebrate its conclusion as they had the Relief of Mafeking. Ministers, in particular, were thankful to see an end to the fighting and Parliament's vote of a £50,000 war gratuity to Lord Kitchener was unanimously approved. Edward VII expressed his own personal thankfulness by conferring on Kitchener the Order of Merit.

This third year of the new century produced much political incident. Mr. A. J. Balfour became Prime Minister on the resignation of Lord Salisbury (July 11), since when no Cecil has held that supreme office. The opinion of his colleagues and contemporaries was that Salisbury had never been a great Prime Minister; he was too gentle, too lacking in fire. He was a Victorian and the new age that was in process of development needed a more dynamic spirit, a less inhibited lead than he could provide.

Balfour was less set in his political thinking than Salisbury, and was far less inherently inspired by the *laissez-faire* tradition. That may explain the extent to which he misjudged the temper of the country and why his famous Education Act attracted so much antagonism outside Parliament no less than within. It roused the nonconformist element at a period when nonconformity and Liberalism were intimately allied.

Until 1870 all education had been provided by denominational schools. The Education Act of that year established the Board Schools, which were free to all, but many Anglicans and all Roman Catholics insisted on maintaining their own institutions to ensure that their children received "proper" religious instruction. Thereafter their grievance was that they were paying doubly: they supported their own schools, but through rates and taxes had also to pay for the religious schools to which they were conscientiously opposed.

The principal purpose of the Bill introduced on March 24, 1902, was to resolve the situation. The Bill proposed the creation of Committees in each County, Borough and Urban Council, except when the urban area contained fewer than 20,000 inhabitants. Control of all secular education in the State schools and denominational schools was vested in these Committees. The old School Boards were abolished. The Committees were to appoint managers for the provided, or State, schools ; a minority of the managers for the voluntary, or denominational, schools were to be appointed by the Committees and the majority would represent the denomination concerned. The authorities were to be responsible for the appointment, dismissal and qualifications of all teachers. As a result of an amendment moved during debate on the Bill, and subsequently incorporated in the Act, religious instruction in the voluntary schools was to be in accordance with the trust deed of the school and was to come under the control of the managers, subject to reference to the Bishop or Denominational Authority.

Nonconformist dissent against paying towards the maintenance of Anglican and Roman Catholic schools was widespread and the Liberal Party, in Parliament and outside, expressed that dissent with all the force it could. The issue was a godsend to the Party. It provided not merely an excuse but a reason for unity. In so doing it initiated a new process of Liberal consolidation that was to produce the triumph of 1906 when the Party swept the country. Though the Opposition to the Bill was fundamentally sincere, the vehemence and extravagance with which it was pressed home was sometimes extreme. In relation to the facts and purposes of the measure the Liberals overstated their case. The Bill was a fine one. It established the foundation on which the educational system of the country has since been developed.

Joseph Chamberlain foresaw the effects of the Bill on the Conservative Party. He warned his colleagues from the first and in a letter to the Duke of Devonshire, written on September 2, he declared : " I told you that your Education Bill would destroy your own Party. It has done so. Our best friends are leaving us by scores and hundreds and they will not come back. . . . I wonder how much mischief the Opposition will be able to do when they at last seize the opportunity which we have so generously presented to them ? "

Yet it was Chamberlain who, within months, was to initiate a campaign for Tariff Reform that not only divided the Cabinet and led Mr. Balfour to make a number of Ministerial changes, but aroused all the fight and fury of the Liberal Free Traders and

completed the unifying process that Balfour's Education Act had begun. So fervent was Chamberlain's belief that the Empire could be welded firmly to the mother country only by Imperial Preference that his mind was clouded to the political consequences of which earlier he had so earnestly warned his fellow Ministers.

At Birmingham, on May 15, Chamberlain outlined his tariff reform programme. Mr. Balfour retaliated with an announcement that the issue would not be dealt with during the lifetime of his Government. But there were Free Traders as well as Protectionists in the Cabinet and Chamberlain, who had expressed his protectionist views to many Colonial Prime Ministers during a recent tour as Colonial Secretary, felt it impossible to remain in the Government. On September 9, he submitted his resignation. (Alfred Lyttelton succeeded him at the Colonial Office.) The Prime Minister reacted by relieving Mr. Ritchie, the Chancellor of the Exchequer, and Lord Balfour of Burleigh of their offices, whereupon Lord George Hamilton and the Duke of Devonshire resigned. The Duke persisted in his resignation. Under pressure from the Prime Minister Winston Churchill left the Conservatives and joined the Liberals on the Free Trade issue.

Two years of protectionist campaigning, most of it outside Parliament, came to an end with the resignation of the Balfour Administration in December, 1905. During this period the fight between the tariff reformers and the free traders was fascinating and hard. There was no equal to Chamberlain, on his own side, as an exponent of the Protectionist case. The Liberals not only had Lloyd George to argue their case; the scholarly brilliance of Mr. Asquith was also devoted to their cause. It was his constant rebuttal of Chamberlain's arguments that established his own position in the Liberal Party and later ensured his selection as its leader.

Ultimately it was neither the close reasoning nor the higher economics of the issue that won the Liberals the sympathy of the electorate later to be so abundantly manifested in the 1906 election. There was still no significant Labour representation in the Commons. The effective political voice of the working classes was the Liberal Party. Asquith and his colleagues reduced the argument to its simplest level. They asked how tariffs could be imposed on imported foods, with preferential duties on Dominion foodstuffs, and yet an increase in the cost of each family's food be avoided. The "Dearer Food" cry caught on. Chamberlain countered that he would not tax maize, which the poorest of the population used, and that a tax on flour would give a preference to the miller, so

helping to revive an old industry. Other selective impositions and remissions of tax were proposed which, it was claimed, would leave the consumer no worse off.

Chamberlain's campaign was also bedevilled by the economic facts of the time. Initially, he was calling for protection at a time of slump, but conditions improved steadily so rendering much of his case void. It was a substantial part of his argument that Imperial Preference would assist industry at home, as well as give aid to other Empire countries. But trade returns improved. Immediate fact was more persuasive than eloquent argument.

There was one other important issue in 1904 on which the Government acted unwisely from its own standpoint. It approved the importation from China into South Africa of some 50,000 Chinese. Labour was urgently needed in the Rand gold mines at the time, and native labour was inadequate. The imported Chinese were to be segregated from the local populations and would be free to return to China only when their services were no longer needed. The Liberal-Nonconformist conscience was quickly inflamed by the cry of "slave labour" and Chamberlain again showed the political sagacity which he possessed over the Education Bill, but lacked in respect of protection. He opposed the project, but without effect. The public conscience was widely roused against the enslavement of Chinese for the benefit of millionaire mine owners, not least among the steadily growing Labour movement. Two years later, the memory of this event also helped to swell the electoral antipathy towards the Conservatives.

There was uneasiness in both Parties not only about the Boer War, but also about the importation of the Chinese coolies. Lord Milner, who had been selected by Joseph Chamberlain in 1897 to be Governor of the Transvaal and High Commissioner for South Africa, retired in March, 1905. With sincere Imperial motives he had approved both undertakings, but he came home to face a vote of Censure moved by the Liberals in the House of Commons—a vote which, in Sir J. A. R. Marriott's phrase (*Modern England: 1885-1945*, Methuen, p. 265) "was rather evaded than resisted by the Government." Yet when on leave in England late in 1903, Mr. Balfour had offered Lord Milner the Colonial Office, an offer which Milner declined because he felt there was still work for him to complete in South Africa.

The fifth year of the new century was drawing to its end in the mounting clamour of the free trade versus protection battle. The Prime Minister was unable to stop or limit the fight, and when

Chamberlain failed to make him agree that an impending Colonial Conference should discuss all aspects of the tariff question (Balfour insisted that the Conference should not be held until there had been a general election, and that any decisions then reached should receive Parliamentary approval only after another election) he acted boldly. He declared at a meeting in Bristol in November that at the next election the Unionist Party must fight on the issue of protection.

There is no doubt that this action decided Balfour to end a politically unhappy state of affairs. Alfred Lyttelton, the Colonial Secretary, had advised such a course for some time. The Prime Minister offered his resignation to the King. It was accepted and Sir Henry Campbell-Bannerman, Leader of the Liberal Party since 1899, became, on December 5, Prime Minister and First Lord of the Treasury. Some promising "juniors" in his Government included Winston Churchill, Reginald McKenna, Walter Runciman (later Viscount Runciman), Herbert Samuel (later Viscount Samuel) and Freeman Thomas (later the Marquess of Willingdon). After a tussle, Sir Edward Grey accepted the Foreign Secretaryship; Mr. Asquith became the Chancellor of the Exchequer. Mr. Augustine Birrell, doubly distinguished as politician and writer, became President of the Board of Education, and Lloyd George achieved his first Cabinet appointment as President of the Board of Trade. Mr. John Burns became the first Labour Member to attain Cabinet rank, as President of the Local Government Board.

Campbell-Bannerman had no sooner formed his Government than he shrewdly asked the King for a dissolution. He realized that the divided and distracted condition of the Conservative and Unionist Party was largely due to Chamberlain's protectionist campaign. He was conscious of public feeling about the Education Act and the "Slave Labour" in South Africa. These factors he calculated, and rightly, would help the Liberal Party to gain power.

CHAPTER TWO

A Time of Tensions

Liberal Landslide—Two-Party System Challenged—Social Reforms—Trade Disputes Act—South Africa—Asquith at 10 Downing Street—German Belligerence

AT the General Election on January 15, 1906, the Liberals swept into office. They won 377 seats. The Conservative representation fell to 157. There were 83 Irish Nationalists elected. The Liberal victory apart, the most important fact about the election was the return of 53 Labour Members—Labour Representation Committee candidates, including trade unionists, and members of the I.L.P. The constitution of the Government remained as it was before the dissolution, outstanding in ability, containing so many men who were subsequently to achieve fame and distinction in the political life of the nation.

There was now in the House of Commons for the first time an official Labour Party. Hitherto, working-class opinion had been expressed either through Liberal M.P.s or through Members known as "Lib-Labs" because though formal adherents of the Liberal Party in the House they had won their seats as nominees of trade unions or other Labour organizations. This fact was not only significant as representing the first open challenge to the traditional belief in a two-party system of Government. It was a clear affirmation of the changing political atmosphere already apparent when the new century opened. The period of radical social change had begun, and what Liberals were so substantially to initiate in social legislation during the years before the first world war, the Labour Party was to complete—or very nearly so—after the second great war.

If Lloyd George was not the only Liberal who perceived the revolution that was imminent he, more than any other statesman of the period, was to inaugurate the first major measures of social legislation. During an election speech at Bangor in January, 1906, he said: "I believe there is a new order coming for the people of this country. It is a quiet but certain revolution."

The new Government set out immediately to initiate social reforms. One of its first acts was to ban the further importation of Chinese coolies into South Africa. The King's Speech outlined

a heavy legislative programme, the first item of which was a Bill to amend the Education Act of 1902. The Bill was introduced by Mr. Birrell in April. Its main provisions were: that local education authorities should maintain and control all elementary schools supported from rates and taxes; that in denominational schools transferred to local authorities, denominational teaching should be given twice weekly if so desired by the parents; that help from the rates could be given to voluntary denominational schools in the towns and heavily-populated districts if four-fifths of the parents of children attending such schools so willed it.

In Parliament and outside the Bill was bitterly debated. Sec-tarian interests were involved. The Government obtained the Second Reading on May 10 by 410 votes to 204 and the Third Reading on July 30 by 369 votes to 177. During this period the Bill had been heavily amended and when it went to the Lords many more amendments were made. The first hint of the subsequent struggle between Lords and Commons was perceptible in the Commons' rejection of all the Lords' amendments, the Peers' insistence that they be accepted, and the final withdrawal of the Bill on December 20, 1906. On that day Campbell-Bannerman cogently expressed in the House of Commons the views of the Government and the Liberal Party (*Hansard*, December 20, 1906, pp. 739-40). He declared:

"It is plainly intolerable that a Second Chamber should, while one Party in the State is in power, be its willing servant, and when that Party has received an unmistakable and emphatic condemnation by the country, the House of Lords should then be able to neutralize, thwart and distort the policy which the electors have approved."

Then came a warning of the Lords *v.* Commons battle which, in the event, Lloyd George was to lead:

"The resources of the British Constitution, the resources of the House of Commons are not exhausted, and I say with conviction that a way will be found, by which the will of the people expressed through their electoral representatives in this House will be made to prevail."

The second important measure to be introduced by the new Government was the Trade Disputes Bill. Its purpose was to resolve the situation caused by the famous Taff Vale Case of 1900 which constituted a severe threat to the power and purpose of the trade union movement. In that year railwaymen on the small Taff Vale line in Glamorganshire struck in protest against the dismissal of a signalman and the refusal of the company to discuss

the matter with officials of the Amalgamated Society of Railway Servants as representatives of the men.

The company lost money through the strike. Because the railwaymen were members of the Society it sued the Secretary, and damages were duly awarded. It was held that under the Act of 1875 unions were capable of owning great wealth and of acting through agents ; and that they must be responsible for the injury they might do to other persons by the use of their wealth and the employment of their agents. It is still arguable whether the judgment correctly interpreted the law. Though the Court of Appeal reversed it, the House of Lords later upheld it.

Whether the judgment was equitable, whether the law as applied to trade unions was just, was questionable. But when the Act of 1875 was passed the Government of the day did not have the trade unions in mind. Two of the unions' strongest weapons were the power to withdraw labour and to incur employers in a loss. If, however, trade unions were to be liable for damages arising from the actions of their members or agents, and if such actions involved their employers in a financial loss, then trade unions would be bankrupt in no time—unless they abandoned their functions.

The whole question of trade disputes and combinations and the law affecting them was referred to a Royal Commission in 1903. A majority report supported the Taff Vale judgment, but proposed modifications to the law as it affected conspiracy and picketing. The Trade Disputes Bill was based on the Commission's majority recommendations and, among other things, provided that a union should not be liable for a wrongful act done by an agent unless such act had been approved by the executive of the union concerned, or had been committed by one or more persons authorized to bind the union by their conduct.

This provision did not go far enough to satisfy Labour Members. They moved a Bill of their own which proposed that the unions should be free of all liability for damages sustained through the conduct of their members. Campbell-Bannerman surprised the Commons and the country by speaking and voting for the Labour Bill whose Second Reading was carried by 416 votes to 66. The relevant clause of the Labour Bill was incorporated into the Government's Bill which subsequently became law.

The first Liberal Budget for ten years, which was introduced by Mr. Asquith, was traditional in character. During the years, Government expenditure had been mounting, so the Chancellor emphasized the need for economy and thrift. But he concurred

with the view of previous Chancellors that a shilling in the pound was too high a rate of income tax in time of peace. Though he did not reduce the tax he promised that a Select Committee would study the possibility of imposing different taxes on earned and unearned incomes.

It is interesting to note that the Budget in no way reflected the Government's growing awareness of tension in Europe—primarily because of Germany—and the fact that war might break out in the not distant future. But Mr. Asquith, together with most members of the Cabinet, was not told of the conversations that had taken place in the first weeks of 1906 between Sir Edward Grey, the Foreign Secretary, and the French Ambassador in London, M. Paul Cambon, during which the Ambassador sought a formal declaration that if France were attacked by Germany Britain would assist her with arms. Grey would make no such declaration but, with the knowledge of Campbell-Bannerman, gave instructions that direct military and naval conversations should proceed between the two countries. He also instituted similar conversations with Belgium. It was as a result of these talks that Haldane initiated his Army Reforms and that the Expeditionary Force was formed. Two short sentences in Haldane's autobiography (p. 191) indicate the tremendous significance of the action taken early in 1906:

“Without the guidance we derived through the conversations, we could not have been ready in July, 1914. The Expeditionary Force was shaped to meet the demands so defined.”

What the Government and the country did know about in the early part of 1906 was the Conference at Algeciras, in Morocco, called at the instigation of Germany to discuss the question of Moroccan sovereignty and independence. The Kaiser had called at Tangier in March, 1905, during a Mediterranean cruise, and had ostentatiously declared that Germany would protect the independence of Morocco. Subsequently, the Germans demanded a conference. The conference, which was already in session when the 1906 general election took place, ended in a resounding defeat of Germany's intention—that Anglo-French unity should be dissolved. The Entente Cordiale, whose formal manifestation was the Anglo-French Treaty of 1904, was greatly strengthened by the conference. Success at Algeciras also encouraged Grey to pursue the possibility of an *entente* with Russia. Within a year his hopes were realized.

Foreign affairs and social reform were the dominant features of the Liberal Party's first year of renewed power. Despite its

failure to get the Education Bill through both Houses of Parliament it did succeed in putting on the Statute Book the Education (Provision of Meals) Act. This measure was the forerunner of the now universal school meals service. It gave local authorities power to help voluntary organizations who provided meals for school children. Subject to the approval of the appropriate School Boards, the authorities could provide the meals themselves.

Another piece of useful social legislation—and a pointer to the growing strength of the Labour movement and the political necessity of legislating for it—was the Workmen's Compensation Act. This measure extended the scope of the Acts of 1880, 1897 and 1900 dealing with the liability of employers for injuries to employees. Liability was extended to cover most manual workers and all employees earning less than £250 a year.

Before the year ended the House of Lords "killed" not only the Education Bill, but also the Plural Voting Bill, a Bill intended to end the legal right of some electors to vote in more than one constituency. It had a critical reception in the Commons, and in December the Lords carried by 143 to 43 an amendment declining to consider the measure because it did nothing to remove "the most glaring inequalities in the present distribution of electoral power." The principle to which their Lordships adhered was that they were willing to consider the radical reform of the voting system, but only in conjunction with a revision of the distribution of seats.

It was also in December that responsible government was conferred on the Transvaal, much to the distaste of Mr. Balfour, but with the warm support of Liberal and Nationalist M.P.s. It was the first step towards the creation of conditions from which could—and did—come the Union of South Africa.

Politically 1907 was a quieter year than its predecessor, but it did not lack important happenings. The social legislation—to be remembered as a characteristic of the Liberal Government—included a measure to improve provisions for allotments and smallholdings and the Medical Inspection of Schoolchildren Act.

It was a year of triumph for the Suffragette Movement, whose agitation had been growing and had become more organized. By the passing of the Qualification of Women (County and Borough Councils) Act women became, for the first time, eligible to be elected as county or borough councillors or aldermen.

There were further warnings of the coming struggle with the

House of Lords. On June 7, by a majority of 432 votes to 147, the Commons passed a resolution which stated :

“ In order to give effect to the will of the people as expressed by their elected representatives, it is necessary that the power of the other House to alter or reject Bills should be so restrained by law as to secure that within the limits of a single Parliament the final decision of the Commons shall prevail.” The issue was referred to in the King’s Speech :

“ Serious questions affecting the working of our parliamentary system have arisen from the unfortunate differences between the two Houses.”

A further move towards the ultimate unifying of South Africa came in June with the grant of Letters Patent conferring responsible government on the Orange River Colony. Already, under the similar constitution conferred on it the previous year, elections had been held in Transvaal and the People’s Party had won a majority of seats in both Houses. In November, 1907, a Party of the same type was also to win a substantial majority at the Orange River Colony election. These were two indications of the rapid approach of complete self-government in and for the South African colonies.

Home Rule for Ireland, still a major political issue, was not to be so happily and peacefully achieved, although since the turn of the century there had been an improvement in the conditions of the Irish people and some diminution of their antipathy towards England. Birrell, who in January, 1905, succeeded Bryce as Chief Secretary for Ireland, introduced a Bill aimed at a devolution of authority to a Representative Central Council sitting in Dublin. It attracted little support in Parliament and the Irish Nationalists, at a conference in Dublin in May, unanimously rejected the purposes of the Bill.

The Anglo-Russian Agreement, concluded on August 31, brought to an end a long period of friction between the two countries. Sir Edward Grey regarded as one of its most important and beneficial provisions the Russian recognition that Afghanistan was “ outside the Russian sphere of influence”. He received, after the signing of the Agreement, a warmly commendatory note from the Prime Minister, though there was some criticism that Britain had conceded too much to Russia. The Germans were only a little less displeased than they had been by the Entente Cordiale.

In the light of what was to happen later the most valuable work done in 1907 was Haldane’s completion of his Army reorganization scheme embodied in the Territorial and Reserve Forces Act which

had its Third Reading in the Commons on June 19, but did not become operative until March 31 of the following year. This Bill brought the Territorial Army into existence. Haldane's purpose was to provide a force ancillary to the Regular Army which could be quickly mustered in the event of war. He and other members of the Cabinet realized increasingly that the danger of war was growing. But the Liberals were not a war Party and to meet their certain disapproval of increased expenditure on the Army he not only devised his scheme for raising and training territorials, but also reduced the Army estimate by £3,000,000.

Meanwhile, Asquith's second Budget had introduced the new principle of differentiating between earned and unearned income. Income tax remained at a shilling in the pound, but only on unearned income and all income in excess of £2,000. On earned income up to £2,000 it was reduced to ninepence in the pound. Asquith thus introduced a principle of taxation that is still being invoked by Chancellors of the Exchequer. To compensate for the loss to be suffered by the lowering of the earned income tax he introduced a rising scale of death duties on estates of more than £150,000.

Asquith was to introduce his third Budget in 1908, not as Chancellor, but as Prime Minister. Campbell-Bannerman, who had not been really well for several years, resigned in April and on the 22nd he died. He is not among the great statesmen of the twentieth century's first fifty years, but Asquith put him "as high as any in sense of duty and in both moral and intellectual courage".

The King was at Biarritz when Campbell-Bannerman resigned. He at once sent for Asquith who then returned to London and formed a new Government. Lloyd George became Chancellor and Winston Churchill moved from the Colonial Office, where he was Under-Secretary, to the Board of Trade, so becoming a member of the Cabinet. The new Prime Minister made several other changes, but a majority of Ministers retained their portfolios.

Because he had already prepared his Budget, Asquith proceeded to deliver it. The most important feature of his financial statement was its foreshadowing of non-contributory old age pensions to be provided entirely by the Exchequer. Men and women over seventy years of age and in receipt of not more than £21 a year or eight shillings a week were to receive a maximum pension of five shillings weekly. For those with higher incomes pensions were scaled down proportionately to a minimum of one shilling a week. No one whose annual income exceeded £31 10. 0 could draw a pension.

The cost of the scheme was estimated to be £6,000,000 in a full year, but the pensions were not to begin until 1909 and most of the money was to be raised in that year. Lloyd George was immediately to take over the Chancellorship and before the Finance Bill had received the Royal Assent he found it necessary to raise the estimated cost of pensions to £7,000,000.

Another important piece of social legislation passed in 1908, but not without strong criticism from the Conservatives, was the Coal Mines Act which established that miners should not work more than an eight-hour day. A Bill was also passed to regulate the employment of children outside school hours. But the House of Lords rejected a Licensing Bill introduced by the Government to speed up the reduction of public houses which the Conservative Act of 1904 had been intended to initiate. The Liberals had always been dissatisfied with certain features of that Act. They had strongly denounced the Bill during its passage through the House of Commons as a surrender to vested interests, and licensing policy had been a major issue at the 1906 general election. When, as the Government of the day, the Liberals introduced their own Bill they even gained some Conservative support for it in the Commons. But the Conservative-dominated House of Lords threw it out and gave the Liberals yet another weapon to flourish in the subsequent struggle of "the People against the Peers".

In January, and again in November, the Government made unsuccessful attempts to introduce Education Bills that would resolve the differences so fiercely revealed during the debates on the ill-fated Education Bill of 1906. The first of these Bills was withdrawn after its Second Reading in January because of the potent opposition to it in Parliament and country alike. The second Bill, introduced by Mr. Walter Runciman, President of the Board of Education, in November, was withdrawn before its Committee stage had been concluded because the Government realized that the measure of agreement on the Bill's terms was not, as it had believed, complete.

The main provisions of the Bill were that only Provided Schools should receive aid from the rates; that each day in every school the first forty-five minutes should be devoted to non-denominational religious instruction, attendance at which should be voluntary; and that twice a week this period could be devoted to denominational teaching, if parents so desired, but such teaching was to be given by assistant teachers, and never by head-teachers, and was to be paid for by the denominations. The Bill further provided that Voluntary Schools in well-populated areas were not to receive

help from the rates but might, in certain circumstances, receive aid from the Exchequer. Voluntary Schools that placed themselves wholly under the jurisdiction of their local education authority were to be wholly supported from rates and taxes. Agreement could not be reached on the financial terms to be accorded to those voluntary schools which would have no part at all of the Government's scheme, and it was this fact that led to the withdrawal of the Bill.

Among the political catch-phrases produced by the great political controversies of the years before the first war one of 1908 is the best remembered: "We want eight and we won't wait." This was the cry of the Conservatives who, led by Mr. Balfour, wanted the Government to build the eight Dreadnoughts that would have been laid down in 1906 and 1907 had not the Liberals decided otherwise. Germany's growing naval strength was part of that country's threat to European peace which the Balfour Government had recognized. In 1905 the First Lord of the Admiralty, Lord Cawdor, and the First Sea Lord, Sir John Fisher, planned the creation of a new fleet. The first Dreadnought was launched and there were to be four more in each of the two succeeding years. But as soon as they came to power the Liberals stopped the building of these ships as a goodwill gesture towards Germany. The Germans responded by developing their own naval strength until in 1908, when it threatened to equal that of Great Britain, Balfour drew urgent attention to the situation and won support from a large section of the electorate.

Sir Edward Grey was aware of, and deeply concerned by, the acceleration of the German naval programme. So was Mr. Reginald McKenna, First Lord of the Admiralty. But Lloyd George and Churchill—how strangely out of character this seems of Churchill!—supported naval economy. The Cabinet was strongly divided on the issue. It was not until 1909 that disagreement was resolved, largely by the efforts of Grey and McKenna, and that the building of eight Dreadnoughts was sanctioned.

It appears strange in retrospect that the Government was not unitedly conscious in 1908 of the darkening conditions in Europe and the Middle East, for as G. M. Trevelyan has said (*Grey of Fallodon*, Longmans, Green, p. 225) ". . . 1908 held 1914 in its arms." Revolution in Turkey in July was to be followed later in the year by events that clearly indicated the fears, envy and hostility which in six years time were to result in a world war.

On October 5 Austria-Hungary announced the annexation of Bosnia and Herzegovina which she had until then occupied under international agreement. This action was of direct interest to

Serbia whose continuing desire was one day to assimilate Bosnia and Herzegovina with their million Serbs. On October 7 the Serbian Government appealed to the Treaty Powers to act.

Edward VII was extremely worried by what had happened—the more so because it was only in August that he had discussed the Balkan situation with the Emperor Franz Joseph, on which occasion he had not been given the slightest indication of Austria-Hungary's intentions. Grey, on behalf of the British Government, immediately urged that the matter be discussed at an international conference. France did not support his proposals, Germany backed Austria-Hungary, and Russia withdrew her initial support for Serbia after being warned that it might involve her in war with Germany and Austria-Hungary. Britain's attempt to gain recognition of the sacredness of treaty obligations was rebuffed. The incident must have been much in Grey's mind when he wrote prophetically to Ella Pease on November 8 (*Grey of Fallodon*, by G. M. Trevelyan, pp. 154-5):

“I don't think there will be war at present, but it will be difficult to keep the peace of Europe for another five years.”

For the Government, 1908 was not a very successful year either at home or abroad. In domestic and international affairs the tensions were growing. In 1909 they were to continue to do so, but in a much more dramatic political atmosphere.

CHAPTER THREE

Founding the Welfare State

India and Ireland—Union of South Africa—Poor Law Commission Reports—"People's Budget," 1909—Power of the Lords—General Election, 1910—Death of Edward VII

THE political event of 1909 was Lloyd George's "People's Budget," the Finance Bill attaching to which was not to become law until the following year. But the facts and figures of this remarkable Budget—remarkable, that is, in the context of the times—must wait until mention has been made of other and important matters which also occupied the time of Parliament during the year.

On February 23 the Secretary of State for India, Lord Morley, introduced the Second Reading of the Indian Councils Bill, a measure that presaged the development of parliamentary government in the sub-continent. The Bill was produced as a result of consultation between the Secretary of State and the Viceroy, Lord Minto, both of whom had become increasingly disturbed by the nationalist agitation—and outbreaks of violence—that had continued during the preceding few years.

The main purpose of the Bill was to extend the size and scope of Central and Provincial Legislative Councils in India and to enable some elected, as well as nominated, representatives to sit on these bodies. Both Lord Morley and Lord Minto were extremely anxious that governmental reforms should be introduced in India and believed that the measure would supplement, and to some extent make up for, the repressive legislation passed in 1907 and 1908 in an attempt to limit the insurrections and violence.

Nearer home, in Ireland, the Government had also to observe the growth of crime and disorder. Augustine Birrell, who left the Board of Education in 1906 to become Chief Secretary for Ireland was unable to handle the ugly situation that had developed and his Land Bill of 1909, intended as it was to increase the opportunity for tenants to buy their own land from the great estates, proved abortive. It angered the Irish Nationalist Members at Westminster. They were also displeased with the Budget when it came, but because they realized how surely it must create a major clash between the Lords and Commons, and because they remem-

bered the Lords' rejection of Irish Home Rule in 1893 they were ready to support Lloyd George if only to reduce the powers of the Peers.

One measure which the Budget held up was a Bill to establish adult suffrage. The Government had it in mind to introduce electoral reform—in May of the previous year the Prime Minister had indicated as much to a deputation of Liberal Members—but the Bill never got beyond the Second Reading because of the protracted debate on the Finance Bill. The Welsh Church Disestablishment Bill introduced on April 21 was withdrawn on June 15 because time could not be found for consideration of it. The Conciliation Bill, designed to give the franchise to some 1,000,000 women householders, did not get beyond its Second Reading.

There were other important items of legislation whose passing into law was not prevented by the Budget controversy. Among them was the Development Act which enabled loans or grants to be made by the Exchequer for harbours, canals, agriculture, forestry, rural transport and similar purposes. It also provided for the creation of a Road Board to construct new roads or give grants or loans to local highway authorities to enable them to undertake such work.

The Bill bringing into being the Union of South Africa also passed through Parliament during 1909 and received the Royal Assent on September 20. It was a measure of great importance; a milestone on the road from Empire to Commonwealth.

The Housing and Town Planning Act promoted by the President of the Local Government Board, Mr. John Burns, was to develop the activities of local authorities. Under the Act each County Council, for the first time, was required to appoint a Medical Officer of Health. Authorities were empowered to demolish houses deemed unfit for use; they could improve insanitary houses and demand reimbursement from the owners; they could acquire land not needed for houses which was considered to have an amenity value.

It was in 1909 that what we now call the Welfare State may be said to have begun—not so much as a result of the legislation passed during the year, but because of the publication on February 17 of the Majority and Minority Reports of the Royal Commission on the Poor Laws which had been set up in 1905 under the Chairmanship of Lord George Hamilton. Fourteen of the eighteen members of the Commission signed the Majority Report: among those who signed the Minority Report were Mrs. Beatrice Webb and Mr. George Lansbury.

There was a substantial measure of agreement between the signatories of the two Reports. What their differences really were are well described by Miss Una Cormack in the Loch Memorial Lecture, 1953 (Published by the Family Welfare Association, pp. 16-17):

"Both sides, too, partially agreed upon the general objectives of their attack. It can be said, however, that the primary concern of the Majority Commissioners was to relieve distress in such a way as to obviate its recurrence, and to support proper treatment for those in trouble by such provisions for those *not* in trouble as would prevent distress arising.

"This is the policy of the basic minimum. The Minority Commissioners, on the other hand, were not so much concerned with the treatment of primary distress: their ultimate objective seemed to be to use those in trouble as a lever to establish the State's responsibility for the social welfare of all its citizens in distress or not. That was partly why the break-up of the Poor Law was for them a *sine qua non*, and also partly why they could not tolerate any stabilization, reorganization, or incorporation in the social system of the mass of voluntary aid and voluntary social workers that then existed. But the basic minimum and the basic optimum do not necessarily conflict, although they differ. . . ."

"The major differences, then, between the two reports seem to have been in their ultimate objectives, and in their fundamental attitudes, not expressly indicated but implicit, rather than in the more immediately practicable proposals. With regard to the primary purpose of the enquiry, how best to relieve the poor and the unemployed of England, were the Reports after all so very far from unanimity? Were the differences after all so great? The Minority wished to give the responsibility for different categories of recipients of relief to different committees of the local authorities: the Majority wished to give the responsibility to one main statutory committee of the county and county borough councils."

Both Reports were widely discussed in Parliament and outside, but many years were to pass before any attempt was made substantially to implement the proposals. There was, however, one matter to which the Commission paid considerable attention and on which Lloyd George did decide to act. This was the problem of "chronic under-employment" in certain skilled industries. The Commission recommended the creation of labour exchanges throughout the country organized and staffed by the Board of Trade to be aided in their work by advisory committees composed of local authorities, employers and workmen. The Unemployed

Workmen Act of 1905 had already foreshadowed such a development, but in 1909 and 1910 legislation was introduced that fully implemented the Commission's suggestion and Employment Exchanges were opened in various parts of the country.

Another Act directly traceable to the Commission's Reports was the Trade Board Act aimed at the curtailment of sweated labour in four trades where such practices were particularly rife—chain-making, machine-made lace and net finishing, paper box manufacturing and ready-made and wholesale bespoke tailoring. Since before the turn of the century there had been much dissatisfaction with the conditions of employment in these and other trades. The 1909 Act set up Boards for each of the four trades, on which were equal numbers of employers and employed, supplemented by a prescribed number of neutral members. It was the duty of these Boards to fix minimum wage rates for time-workers and for piece-workers subject to confirmation by the Board of Trade. So, for the first time, the State intervened directly as between employers and employed in the matter of wages. Its intervention hitherto had been restricted to questions of working hours and the general conditions of actual employment.

The political and social atmosphere of the time has been briefly but pointedly described by Elizabeth Haldane, sister of the first Lord Haldane (*From One Century to Another*, Maclehose, p. 242):

“This picture of misery given in the Poor Law Report made most people feel that things had not gone half far enough: wages were still low, besides which, though there was a tentative Trade Board Act in 1909, sweating was still rampant and housing a disgrace. Education had not advanced very far and there were still half-timers between twelve and fourteen years of age. There was no unemployment insurance or health insurance and the Poor Law system swept all sorts of people, sick infirm, children, tramps, mentally defectives, into one category, until in 1929 a Conservative Government transformed Poor Law into Public Assistance. There was an absence of ‘planning’ in all the reforms: still they came, even if still inadequate, and brought about in what seemed the higgledy-piggledy fashion that we are accustomed to call British, though I dislike giving it such a name.”

It is against that lively account of the social conditions prevailing and the manner in which the Liberal Government strove for amelioration, that the Lloyd George Budget of 1909 is best considered. It must also be remembered that there was dissension in the Cabinet about the Admiralty's insistence that more Dreadnoughts should be built as a counter to the growing strength of

Germany; and that the positive need to precipitate a clash of crisis dimension between the Commons and the Peers was firmly in Lloyd George's mind as he framed "the People's Budget."

Only after much discussion and threats, or at least hints, of Ministerial resignations, did the Cabinet on February 27 agree to build four Dreadnoughts immediately and a further four if the necessity for them should be established. This decision imposed upon the Chancellor of the Exchequer the need to raise an additional £15,000,000.

It upset his calculations, but gave Lloyd George extra excuse and justification for proceeding with his land taxation scheme. He had been conceiving and planning his Budget during 1908. In that year he had studied social legislation in Germany, Austria and Belgium. Social legislation was his aim, to be financed by taxing land owners and others who had inherited their wealth. In a reference to this phase of Lloyd George's career H. W. Massingham, Liberal Editor of *The Nation*, declared in that journal on January 6, 1912:

"Those who knew Lloyd George's mind in those days knew also that he foresaw and planned a first rejection by the Lords, an endorsement by the country, and a following attack on the veto, in which the peers were bound, whatever their tactics, to succumb. All went well as this simple, though far from shallow, generalship foresaw. But while nothing miscarried the resulting situation was a difficult one."

The "People's Budget" was introduced by the Chancellor in a four-hour speech on April 29. It has been described as a masterpiece, but according to Dr. Thomas Jones, C.H. (*Lloyd George*, Oxford University Press, pp. 36-7) it was a Parliamentary failure. He comments: "The speech was read, and was diffuse; but it was momentous, not only because it ranged over new fields of revenue but because it openly resorted to taxation as an instrument of social regeneration."

The Chancellor was faced with an actual deficit of £1,502,000 and on the basis of existing taxation faced a prospective deficiency of nearly £16,000,000. But it was his aim to introduce a mass of social legislation and at least the Prime Minister, Asquith, and the Foreign Secretary, Grey, wholly supported his intentions. More expenditure, not less, was therefore inevitable and correspondingly inevitable was increased taxation. The Chancellor made his purpose plain in his Budget speech. "This is a war budget. It is for raising money to wage implacable warfare against

poverty and squalidness." It was designed to meet "the growing demands of the social programme."

The new tax proposals included an increase from 1s. to 1s. 2d. on incomes exceeding £3,000 a year; super-tax of 6d. in the £ on incomes above £5,000 on the amount by which they exceeded £3,000 per annum; death duties were heavily increased and increased duties on spirits and tobacco, together with higher charges for liquor licences, were estimated to raise £6,000,000. For the first time taxes were imposed on petrol and motor cars.

But the most controversial tax was that on land. It was both comprehensive and complicated. The land of the whole country was to be surveyed and valued according to its gross value and its site value. There was to be a tax of 20 per cent. on any increase in the site value of the land accruing after April 30, 1909, and this tax was to be paid each time the land changed hands, either as a result of purchase or the death of the owner. There was to be a reversion duty of 10 per cent. on the benefit accruing to lessors on the termination of leases, and an annual tax of ½d. in the £ on the capital site value of "undeveloped" land, mainly building land which was withheld from the market by owners in expectation of a rise in its value. An annual tax of 1s. in the £ was also to be imposed on the rental value of the right to work minerals.

Lloyd George justified his Budget on two counts: that he had to find money for increased naval construction, and that he had to finance the social legislation on which the Government was set. He explained the principles of the compulsory and contributory health insurance scheme that was to be introduced, the Development Fund that was to improve the grants made for more afforestation, for agriculture, the railways and the harbours. He explained how the taxes on cars and petrol would be used to establish a Road Fund to be used for the development of the nation's highways.

Labour Members were jubilant. "We are beginning to see what a Budget like this is going to do to set things right", said Mr. Philip Snowden, as he then was. Indeed the degree of acceptance with which the Budget was received by the Labour Benches was such as to embarrass the Government. But the Conservatives opposed it bitterly and the debate on the Finance Bill proceeded for seventy-two days among which there were several all-night sittings. Lloyd George had an extremely hard time defending and expounding the provisions of the Bill and twenty or more interventions by the Chancellor during the course of a single sitting were not uncommon.

In addition he spoke in defence of the Budget in many parts of the country—outstandingly at Limehouse on July 30 to an audience of 4,000 East Enders. He defended the taxes on land. “Who created these increments? Who made that golden swamp? Was it the landlord? Was it his energy? Was it his brains? Provision for the aged poor—it’s time it was done. It’s a shame for a rich country like ours that it should allow those who have toiled all their days to end in starvation. It’s rather hard that an old workman should have to find his way to the tomb, bleeding and footsore, through the brambles and thorns of poverty. We cut a new path through them, an easier one, a pleasanter one, through fields of waving corn.”

Not until November 4 was the Finance Bill passed in the House of Commons by a majority of 379 votes to 149. Then on November 30 the House of Lords threw it out by 350 votes to 75 and thereby precipitated the crisis for which Lloyd George had been working and waiting.

Ever since the Liberals regained power in 1906 the Lords had repeatedly rejected or substantially modified Bills sent to them by the Commons. On December 10, 1906, Lloyd George spoke prophetically at Oxford when he said: “If the House of Lords persisted in its present policy, it would be a much larger measure than the Education Bill that would come up for consideration. It would come upon this issue, whether the country was to be governed by the King and the Peers, or by the King and the people.”

On November 30 the Lords did come upon this issue. The Upper House was within its legal rights in rejecting the Finance Bill, but only once since 1688 had it challenged the Commons’ right to legislate on matters involving expenditure or taxation. That was in 1860 when the Lords rejected the Paper Duty Repeal Bill.

Mr. Gladstone’s Government reacted by setting out precisely in a number of resolutions the exclusive rights of the Commons regarding taxation and in 1861 all financial proposals for the year were included in a single Finance Bill. The Lords could either accept the Bill as it stood or reject it *in toto*. They could not modify it.

There were members of the House of Peers who thought it would be best to pass the Bill embodying “the People’s Budget” in deference to precedent and to the convention established in 1861. Lord St. Aldwyn was one who urged this course on Lord Lansdowne, Leader of the Conservatives in the Upper Chamber, but his plea was ignored. King Edward VII, who had grown

increasingly concerned about the developing friction between the Lords and Commons, had a talk with the Prime Minister in October and sought his views on the constitutional propriety of a conference between the Sovereign and the Opposition Leaders. Mr. Asquith offered no objection to the Royal proposal and on October 12 Lord Lansdowne and Mr. A. J. Balfour were received by the King at Buckingham Palace. His attempt to avert a clash was unsuccessful. The "backwoodsmen" of the Peerage were summoned to attend for the crucial vote on the Bill and turned up in large numbers to ensure its rejection and the commencement of what was to be the final stage in the struggle between Lords and Commons.

Mr. Asquith acted quickly. On December 2, by 349 votes to 134 the Commons passed a resolution moved by the Prime Minister which declared that the action of the House of Lords "in refusing to pass into law the financial provision made by this House for the service of the year is a breach of the Constitution, and a usurpation of the rights of the Commons." Prorogation followed quickly and on January 10, 1910, Parliament was dissolved.

The Government sought to fight the general election on the single issue of the powers of the House of Lords. That was certainly the issue that had led to the election, but there were numerous other matters about which the electorate and the other Parties felt strongly.

Home Rule for Ireland and Free Trade were still questions of importance. The fundamental change in the relationship of the people and the State inherent in the social legislation introduced and foreshadowed by the Government, and what some regarded as its Socialistic character, were all matters about which the different Opposition Parties were variously concerned. This, perhaps, explained the election result—which came as shock to the Liberals. They won only 273 seats compared with 377 in 1906. The Conservative and Unionist strength rose from 157 to 272—only one fewer than the Liberals. Labour representation fell from 53 to 41. The Irish Nationalists with 82 seats dropped one on their 1906 strength.

For the King the issue of the House of Lords remained the most important problem to be faced and he must have noted with concern the Prime Minister's declaration on December 10, 1909, that what was to be done (about the House of Lords) "will have to be done by Act of Parliament." Accordingly, on January 30, at Windsor, he outlined to Lord Crewe his own plan for avoiding drastic action by the Commons. It was that the composition of

the Upper House should remain as it was—to the King the hereditary principle was, quite naturally, a proper and desirable principle—but only 100 of its members would be entitled to vote. They would be nominated in equal numbers by the Leaders of the two Parties in the House of Lords.

The gracious Speech delivered by the King on the opening of the new Parliament on February 21, 1910, revealed that His Majesty's proposal had met with no more success than his earlier attempt to avoid the firmest possible action by the Government, on behalf of the Commons, to assert the authority of the Lower House. The Government was to put forward proposals which would so define the relations between the two Houses of Parliament as to secure the sole authority of the Commons in financial matters and its dominance in legislation.

The extent of the Government's determination to curb for ever the power of the Lords was disclosed by the Prime Minister on March 29. He moved three resolutions the purport of which was to prevent the Lords from amending or rejecting any Money Bills, to establish that any Bill passed by the Commons in three successive sessions and three times rejected by the Lords should automatically become law on the declaration of the Royal Assent, provided only that two years had elapsed since its introduction; and to limit the lifetime of any Parliament to a maximum period of five instead of seven years.

These resolutions were passed on April 14, on the night of which Mr. Asquith introduced the historic Parliament Bill. When doing so he issued a warning that if the Lords rejected the Bill the Government would either resign or ask the King to dissolve Parliament. But he further stated that the Government would not recommend a Dissolution "except under such conditions as will secure that in the new Parliament the judgment of the people as expressed at the election will be carried into law."

This was a direct hint to the King that the Government would not go to the country unless it was certain that the King would, if the need arose, create sufficient Liberal Peers to ensure that the Government's policy could not be thwarted by the Upper House.

Meanwhile the Budget of the previous April remained to be passed and Ministers were somewhat fearful of their prospects of getting it through the Commons. As a result of the election the Government was now dependent upon the support of the Nationalists who were displeased with the whisky duties imposed by the Budget and for whom Home Rule was still a major issue. Support for the Budget was promised if Mr. Asquith would give an

assurance that a Bill dealing with the House of Lords veto was passed during 1910. That he was ready to promise and though it was not until the following year that the Bill became an Act the Prime Minister gained Nationalist support for the Government in the debates on the Budget which passed the Commons on April 27, went through the Lords without a division on April 28, and became law on the 29.

The King, who had gone to Biarritz on the advice of his doctors, returned to London on April 27 to study the situation caused by the Prime Minister's threat that the Government would not seek a Dissolution unless assured of the King's readiness to create sufficient Liberal Peers to prevent the Lords from blocking further legislation. But the King's condition was worse than the public realized and on May 6 he died. His passing was mourned no less by the statesmen of both Parties who had dealt with him on matters of State than by the public who had sensed the qualities of industry, honesty and ability with which he was endowed. Mr. Asquith paid tribute to King Edward's "ripe experience, trained sagacity, equitable judgment and unvarying consideration."

King George V succeeded and in that remarkable way which is peculiarly British the open conflict in Parliament subsided. Immediately after the death of so well-beloved a King it was instinctively felt to be unseemly that the controversies of the day should continue openly to be discussed. Instead the Party leaders agreed to meet in private. They did so for the first time on June 17 when the Prime Minister, Lord Crewe, Mr. Birrell and Mr. Lloyd George represented the Government, with Mr. Balfour, Lord Lansdowne, Mr. Austen Chamberlain and Lord Cawdor representing the opposition.

At first real progress was made, but the discussions subsequently became bogged in a morass of disagreement over the interpretation of constitutional points essential to the nature and character of the problems of reform that were under consideration. The conference ended on November 10 and five days later the Cabinet decided to ask the King for a Dissolution. On November 16 the Prime Minister and Lord Crewe put before King George V the terms of the Cabinet's memorandum which declared that the Government could not advise a Dissolution unless it was sure that in the event of its policy being approved by "an adequate majority" in the new House of Commons the King would be ready to exercise his constitutional powers and, if necessary, create sufficient Peers to ensure that "to secure that effect shall be given to the decision of the country." Before Parliament was dissolved on November

28, Lord Crewe presented the Parliament Bill in the Lords on the 21, but consented to an adjournment to enable the Conservative Leader, Lord Lansdowne, to put forward an alternative set of proposals in the form of a series of resolutions. The Conservative case was that the Parliament Bill would not settle the problem ; that the Lords should be reconstituted and the number of Peers reduced ; that it would surrender, with safeguards, its rights to reject Money Bills and that there should be a referendum. There was ample evidence in the debate on these resolutions that the Peers were quite prepared to accept a substantial measure of reform. Indeed, two days before Lansdowne introduced his resolutions, Lord Rosebery had gained the support of the Upper House for his proposals that heredity should not alone entitle a Lord of Parliament to vote in the Lords, and that it was desirable that the Lords should be strengthened by new members.

But another election was now inevitable and it came in December. "No change" was the verdict of the electorate. The Liberals and Conservatives tied with 272 Members returned for each Party. Labour returned 42 gaining one seat, and the Nationalists gained two seats to command a strength of 84 and so to retain control over the Commons. Asquith was to lead his Government back to Westminster to fight the battle of the Parliament Bill anew ; to face strikes and industrial troubles at home ; growing threats against peace abroad, particularly from Germany ; and in general to endure an exhausting and controversial three-year period that was to culminate with the outbreak of war on August 4, 1914.

CHAPTER FOUR

Legislative Years

The Parliament Act—National Insurance Act—Defence Problems—The “Marconi Scandal”—Syndicalism—Welsh Disestablishment—Suffragette Movement

PARLIAMENTARIANS and public were equally aware at the outset of 1911 that the year ahead was to be politically exciting. In addition to the normal business of the Session the Liberals had promised at the election to deal with Welsh Disestablishment, the Irish Home Rule question and, most important of all, the constitutional issues raised by the Lords *v.* Commons struggle. In addition to all these matters, Lloyd George was also to introduce his National Health Insurance Scheme, precursor of the Beveridge Plan and the system of National Health Insurance which the Labour Government of 1945 was subsequently to create.

The Parliament Bill was introduced in the House of Commons, for the second time, in February. Its Second Reading was carried in the following month by 368 votes to 243 and the Third Reading by a similar majority on May 15. It was on August 10 that the Lords granted their approval by 131 votes to 114 and in the division 37 Conservative Peers supported the Liberals.

The presence in the Government lobby of so many Conservatives was an overt indication of the disagreement that consideration of the Measure had created within the Party's ranks. During the passage of the Bill through Parliament these differences were brought sharply into public focus.

The Conservative Peers were divided into “Hedgers” and “Ditchers.” The former, headed by Lord Lansdowne and Lord Curzon, favoured acceptance of the Parliament Bill. They thought it best for the Upper House to avoid the ignominy of being filled with hundreds of specially-created Peers. The “Ditchers,” led by the Earl of Halsbury, sturdily opposed the Bill. They claimed that resolute opposition to the measure would ensure its absolute defeat. The King, they claimed, would not dare to create large numbers of Radical Peers pledged to pass the Bill through the Upper Chamber. Their belief was ill-founded. Mr. Asquith knew his own strength. He had obtained from King George V an assurance that he would, if necessary, create 250

Peerages. In a letter to Mr. Balfour, which was published in the Press, the Prime Minister made this fact known, so confirming for many Conservative Peers the foolishness of trying to block the Bill.

Before the Bill was passed by the House of Lords their Lordships considered two other Bills dealing with reform of the Upper Chamber. The House of Lords Reconstitution Bill, moved by Lord Lansdowne, proposed the creation of a much smaller Second Chamber containing hereditary Peers, elected Peers, and a third group nominated by the Crown. Peers were to be eligible for election to the House of Commons and there was to be a severe limitation on the number of Peers which the Crown would create in any one year. This Bill had a Second Reading on May 22, but no more was heard of it.

Lord Balfour of Burleigh did not even gain a Second Reading for his Bill designed to provide that a Poll be taken of the electorate in respect of certain Bills: either House could demand a poll if the Lords failed to pass within forty days a Bill sent up from the Commons; alternatively, not less than 200 M.P.s could demand a poll in respect of any Bill passed by both Houses; if there was a minimum majority of two per cent. in favour of any such Bills the Royal Assent would have to be given to them.

But the lesser had to give way to the greater. The Parliament Bill was a dominating measure. It gave effect to the resolutions moved by Mr. Asquith on April 14, 1910, and carried by the Commons on that day. In addition, the preamble declared the intention "to substitute for the House of Lords as it at present exists a Second Chamber constituted on a popular instead of hereditary basis"—an intention that has remained unfulfilled more than forty years later.

One important subsidiary consequence of the dissension within the Conservative Party over the Parliament Bill was that it hastened the resignation of Mr. Balfour from the leadership of the Party. This was not announced until November 8, but it was preceded by a considerable campaign in the Press and gave currency to yet another catch phrase—"B.M.G." which, being translated, stood for "Balfour Must Go."

He had no sympathy with the "Ditcher" element in the Lords, a fact which some elements in the Party explained as being due to his too gentle and dignified approach to politics. It was said he lacked strength and the qualities of leadership necessary at a time when the Party battle was becoming ever more fierce and resolute. His views on tariff reform were also suspect among the more rabid of the "reformers."

Balfour had led his Party for nearly twenty of the thirty-eight years he had been in the Commons, but latterly the Party had been overshadowed by the Liberals and Balfour was suddenly blamed. He was to be politically active for a further twenty years and to secure fame as the author of the Balfour Declaration of 1917 promising British support for the creation of Palestine as a national home for the Jews.

Austen Chamberlain was the most widely-canvassed choice as a successor. The only other candidate was Mr. Walter Long, a safe, traditional-style Tory. But the Party finally chose Andrew Bonar Law, son of an Ulster Presbyterian Minister born in New Brunswick and reared in Glasgow, who entered Parliament in 1900. He was an able debater, a staunch Tariff Reformer, and was to prove an effective leader of his Party.

One other issue of special Parliamentary interest which was resolved during the period of discussion on the Parliament Bill was the remuneration of M.P.s. They had been unpaid and were therefore either well-to-do or, in the case of Labour Members, subsidized by their trade unions. At least the unions had given assistance until the famous Osborne Case of 1909 when it was ruled that unions could not make available for Parliamentary purposes funds which, it was held, were collected for another purpose. Accordingly, a clause in the Finance Bill provided for the payment to Members of an annual salary of £400 a year—in 1911 a substantial amount.

Just as the Parliament Act was a landmark in British Constitutional history, so in the realm of social welfare legislation was the National Insurance Act which also reached the Statute Book in 1911. And just as the Constitutional Measure had its slogans, "Peers versus the People," "Hedgers and Ditchers," so the Insurance Bill was to be comprehended in public discussion by the phrase "Ninepence for fourpence."

The Bill was in two parts, the first of which provided for most workers between the ages of 16-70 who were earning less than £160 a year to be insured against ill-health. The employer contributed threepence a week for each employee; male employees paid fourpence and female employees threepence a week each; the State contributed twopence a week. The total contribution was therefore ninepence, the majority of employees were men, hence the cry "Ninepence for fourpence."

The scheme was to be operated substantially through friendly societies and trade unions which were to become "approved societies" for the purposes of the Act. But there was also

provision for voluntary contribution towards the scheme and collection of benefits through the Post Office.

Sickness benefit was to be paid at the rate of ten shillings weekly for men and seven-and-sixpence for women. During disablement the payment was five shillings weekly and the maternity benefit was thirty shillings weekly. Free medical attention and drugs were to be provided and hospital treatment was also covered. Administration of medical and hospital treatment was to be supervised by committees representing the doctors, the insured persons and the local and central governments.

There was considerable opposition to the proposals, though the Conservatives initially supported them. But objections were raised to the principle of compelling people to stick their own stamps on the insurance cards. Some of the unions and friendly societies were at first dissatisfied with the terms on which the scheme was to be worked through their organizations.

The second part of the Bill brought some 2,250,000 workers from such trades as engineering, building, ship-building, into an insurance scheme against unemployment. Employer and employed each paid twopence-halfpenny a week and the State added one-third of their joint contribution. Seven shillings a week unemployment pay was to be made for a maximum of fifteen weeks in any one year on the basis of a week's benefit for every five contributions. Benefit could only be paid, however, if the man or woman seeking it could prove that during the past five years he or she had worked in an insured trade for at least twenty-six weeks.

These in brief were the provisions of the Bill which was to come into force as an Act in the following year. They foreshadowed a series of welfare measures introduced by Lloyd George during the succeeding ten years. The political, apart from the social and moral, significance of the National Insurance Act was aptly stated by Beatrice Webb who wrote on December 1, 1912 (*Beatrice Webb's Diaries, 1912-17*, Longman, p. 8): "The plain fact is that Lloyd George and the Radicals out-trumped the Labour Party. They have dealt out millions of public money, they have taken up semi-socialist devices like compulsory insurance, which cannot be easily opposed even by the Conservative Party. By no other measure could twenty-five millions have been raised and spent on sickness."

Throughout 1911 foreign affairs and defence problems were causing the Government, if not the nation, considerable anxiety. Among the Liberals, as has been shown, there were divided counsels on the wisdom and need for naval and military preparations

against the threat of Germany's imperial designs. Conflict developed between the War Office and the Admiralty on the strategy to be pursued in the event of France becoming involved in war with Germany. Anglo-French talks between the generals of the two countries might lead, it was feared by some Ministers, to a French belief that in the event of war Britain would at once send an army to France. The War Office view, supported by Haldane and Sir Edward Grey, was that in the event of war Britain should at once despatch troops to France and that the Navy should cover their passage across the English Channel. The Board of Admiralty, supported by Reginald McKenna, the First Lord, strongly opposed such a course and argued that the Navy's primary task was to destroy the navy of its enemy.

This conflict of views was given a new urgency by the Agadir incident on May 21 when French troops occupied Fez, the Moroccan capital. The Germans were much concerned by the French move, and although the French in June began to leave Fez, German policy thereafter grew increasingly aggressive.

The British Government became increasingly concerned when news arrived on July 1 that the German gunboat, *Panther*, had arrived at Agadir, on the western coast of Morocco, ostensibly to protect "German interests." The French rejected a German proposal that Morocco should be divided between herself, Germany and Spain, and British requests for an explanation of their conduct were ignored by the Germans. On July 21, with the concurrence of the Prime Minister and Sir Edward Grey, a speech was delivered by Lloyd George at the Mansion House, London, in which he made it absolutely clear that Britain would stand by France if that country's interests were violated.

The Chancellor of the Exchequer declared on this occasion: "But if a situation were to be forced upon us in which peace could only be preserved by the surrender of the great and beneficent position Britain has won by centuries of heroism and achievement, by allowing Britain to be treated, where her interests were vitally affected, as if she were of no account in the Cabinet of Nations, then I say emphatically that peace at that price would be a humiliation intolerable for a great country like ours to endure."

Such words from a Minister hitherto regarded at home and abroad as a man of peace, an opponent of the larger navy demanded by the Admiralty, were extremely effective. Weeks of great anxiety followed. On July 25 the Fleet was warned that it might be attacked within hours and a state of crisis did not end until

September 22 when the Foreign Office advised that the condition of war preparedness could be relaxed.

Negotiations between France and Germany continued during this period and culminated with the signing of a treaty by which the Germans acknowledged the French Protectorate of Morocco while France ceded half the French Congo to Germany.

Nineteen-eleven was certainly a period of strain for the Government. It had to deal with the final stages of the Parliament Bill, international troubles, its own divisions, made more acute by events, over the rival strategies proposed by the War Office and the Admiralty and then, on top of them all, came a series of strikes. The seamen struck in June, the dockers came out in July and the railwaymen on August 17. But this third strike lasted only two days, the Government promising to appoint a Royal Commission to investigate the men's grievances.

On October 24 Winston Churchill at the Home Office changed offices with Mr. Reginald McKenna, First Lord of the Admiralty. The change was the consequence of long discussions at the Committee of Defence and of private talks between the Prime Minister and the Ministers concerned. Little of these inner facts were known to the public at the time, but the switch marked the momentary victory of the War Office, headed by Haldane, over the Admiralty view as to the proper nature of Britain's relationship with France and the method by which, if at all, British help should be afforded in time of war. The two men took up their new appointments just before the King and Queen left for the great Coronation Durbar which was to take place at Delhi on December 12. A year of tremendous political activity drew to its close.

There was a dark beginning to 1912. Turkey and Italy were at war. The conflict was to drag on until October.

Meanwhile, Sir Ernest Cassell had been despatched to Berlin to ask the Germans to restrict their naval building programme. The *quid pro quo* was that Britain would join no defensive alliance against Germany and would not oppose German colonial expansion. But the mission was unsuccessful, as was that of Haldane, the War Minister, who went over to Germany in February for a similar purpose.

These were not matters which, at the time, greatly agitated the public. They knew little of the Government's anxiety about the mounting unrest in Europe and the threatening increase in German strength. But unity of view was beginning to develop among Ministers on the need for improving the nation's defensive power and for watching keenly the moves of other countries.

Apart from the worries of international affairs, the Government had to face throughout 1912 the antecedents and consequences of what we now know as "the Marconi Scandal". Following on the decision of the Imperial Defence Committee in 1911 that Britain and the Empire should be closely linked by wireless, negotiations were begun between the Postmaster-General, Mr. Herbert Samuel, and the English Marconi Company of which Mr. Godfrey Isaacs, brother of the Attorney-General, Sir Rufus Isaacs, was managing director. Before the new year had begun there were rumours in the City about the profits that Ministers of the Crown were making by speculating in Marconi shares on the basis of "inside" information. Certainly the shares rose steeply from the time that negotiations began up to the announcement on March 7, 1912, that the Marconi Company's tender had been accepted. And corruption was also alleged in explanation of its acceptance. Rufus Isaacs, it was said, as brother of the company's managing director, had influenced the Home Secretary to agree to terms with Marconi's.

Lloyd George and the Master of Elibank, a former Government Chief Whip, both bought shares in the American Marconi Company in April. They bought them from Sir Rufus Isaacs. Lloyd George sold out at a good profit in May and bought more shares for himself and the Master of Elibank, and these shares he retained.

Subsequently there was a series of unfortunate and embarrassing events. A copy of the agreement between the Government and Marconi was ordered to be printed on July 19 and to lie on the table of the House of Commons. Questions were asked in the House on August 1 about the identity of the shareholders and why the shares had risen. Parliament adjourned on August 7 in a controversial mood and after it had re-assembled on October 7 the Postmaster-General moved the appointment of a Select Committee to inquire into the circumstances of the agreement and the desirability of such a contract. The Committee, which was actually set up on October 23, was asked to report within three months and an Advisory Committee was created to report on the technical advisability of the agreement. Not until the summer of 1913 was the matter to be cleared up—if it ever really was, for dispute on the affair continues to-day.

Apart from such troubles directly affecting itself the Government was also faced with further industrial unrest. The strikes of the preceding year were symptomatic of dissatisfaction among the workers. Economic conditions were by no means ideal, but a shrewd commentary on the industrial atmosphere of the time

is that of J. A. R. Marriott (*Modern England, 1855-1945*, Methuen, p. 246), who writes :

“The microbe which was infecting society and producing epidemic disease was not purely economic. It was not, with the younger workmen, a question merely of wages, or hours, and the like. In an electoral sense they were the equals of their employers ; they had been endowed with the full status of a citizen ; they were getting more and more education ; too much, perhaps, unless they were to get more. But industry remained autocratic in a democratic State ; the world-wide extension of commerce demanded higher and higher skill in the directors of the big businesses ; in the sphere of Government things might, in those pre-war days, be tending towards Democracy, in that of industry they were tending towards Dictatorship. Yet the wage-earner could not but contrast his status as a citizen with his status as a workman. The contrast generated the spirit of unrest which issued in industrial strife.”

It was this kind of environment that encouraged the momentary spread of Syndicalism, a political philosophy derived from Continental Socialism forcibly advocated in *The Miner's Next Step*, published privately in South Wales during 1912. This document was a useful pointer to Syndicalist ideas. They were substantially in conflict with the Socialism that has subsequently developed in Great Britain. A primary aim was that the workers in industry should control the various industries themselves—directly and not through any Board appointed by the State. Bloodshed was to be avoided, but strikes, go-slow and class warfare were all legitimate weapons in the struggle.

Beatrice Webb, one of the leading contemporary apostles of Socialism, was certain that Syndicalism would win no dominant place in the thinking of the British Labour Movement. She regarded it rather as a new “ism” that was momentarily attractive to the earnest young Socialist. In her diary on December 1, 1912, she wrote (*Beatrice Webb's Diaries, 1912-1927*, Longman, pp. 7-8) :

“Syndicalism has taken the place of the old-fashioned Marxism. The angry youth, with bad complexion, frowning brow and weedy figure, is now always a Syndicalist ; the glib young workman whose tongue runs away with him to-day mouths the phrases of French Syndicalism instead of those of German Social Democracy. The inexperienced middle-class idealist has accepted with avidity the ideal of the Syndicalist as a new and exciting Utopia. But to the Trade Union Organizer or to the Labour Member of a municipal council, Syndicalism appears a fantastic dream barely worth considering.”

It was on February 26 that the miners struck in support of their claim for a minimum wage, and a total of 30,000,000 working days were lost before the men returned to work on April 11. That they did so then may well be credited to the action of the Prime Minister who, after placing before both miners and mineowners proposals for a settlement, declared that a Bill would be passed through Parliament giving the proposals the force of law and virtually compelling both sides to accept the terms it embodied. Accordingly, the Minimum Wage Bill was introduced on March 19 and ten days later received the Royal Assent.

It was now time for the Prime Minister to honour his election promise to the Irish Nationalists, on whose support the Government's majority rested, that a Home Rule Measure would be introduced. On April 11, Mr. Asquith himself introduced the Home Rule Bill and it received a Second Reading on May 9 by 372 votes to 271. Thereafter some sixty days of Parliamentary time were spent on the measure which did not receive its Third Reading until January, 1913, and subsequently failed to pass the Lords.

Sir Edward Carson, who first entered Parliament in 1892 as representative of Trinity College, Dublin, became the leader of the Ulster opposition to Home Rule. He spoke vehemently against it in the Commons, and Conservative and Unionist leaders also opposed the Government's Bill. An Ulster Volunteer Force and a Provisional Government were created, and in September Carson headed a list of signatories to a Solemn Covenant which declared that a Parliament established in Dublin would never be recognized by Ulster.

The Welsh Disestablishment Bill, which was introduced on April 12, the day after the Home Rule Bill, was not calculated to arouse passions quite as vehement; but it was no casual Measure, and, like the Irish question, was being urgently demanded from the Government in fulfilment of an election pledge that the Liberals would deal with the question.

This was the fourth time that a Liberal Government had introduced a Disestablishment Bill designed to separate the four Welsh Dioceses from the Church of England and disestablish them, and though it passed through all its stages in the Commons during 1912 the Lords were to reject it in 1913. It was not to become law until passed by the Commons in three consecutive sessions, so to achieve the Royal Assent, despite Lords' objections, under the provisions of the Parliament Act.

The Bill occupied long and excited hours in the Commons. Opposition and support for it were on Party lines, the Home

Secretary, Mr. Reginald McKenna, effectively and calmly conducting the Government's case. By 1912 the issue that the Bill was designed to resolve aroused fewer passions outside the House of Commons than it did within the Chamber. Much of the fervour displayed by Members who opposed the Measure was simulated and G. K. Chesterton's ode (*Anti-Christ, or The Reunion of Christendom*) directed at F. E. Smith (later Lord Birkenhead) for his extravagant claim that the Bill had shocked the conscience of every Christian community in Europe set the remarks of other Members, as well as those of the future Lord Chancellor, in true perspective—particularly in the last verse :

“ For your legal cause or civil
 You fight well and get your fee ;
 For your God or dream or devil
 You will answer not to me.
 Talk about the pews and steeples
 And the Cash that goes therewith !
 But the souls of Christian peoples . . .
 Chuck it, Smith ! ”

Yet another trouble the Government had to bear in this same year was the mounting and active displeasure of the Suffragette Movement at the absence of legislation to extend the franchise to women. Agitations, mass meetings, calculated law breaking which often resulted in suffragettes being imprisoned, were regular occurrences.

The third major Bill that the Government was to introduce in this worrying year was the Franchise and Registration Bill which first came before the House of Commons in June. It not only abolished University representation and plural voting, but, by simplifying the conditions of registration for electors, was calculated to increase the male electorate by some 2,500,000. It was intended to appease the suffragettes, for although it did not deal with women's franchise the Government had promised to allow an Amendment that would do so to be put to a free vote of the House. In the Committee Stage the Speaker ruled such an amendment out of order and, in the circumstances, the Bill was dropped.

The Conciliation Bill, designed to give the vote to 1,000,000 women, which failed to pass through all its stages in 1910 and again in 1911, was brought forward for the third time in 1912, but once more it was defeated. Thus baulked of their desires the Suffragette demonstrations increased in violence and were to continue almost up to the outbreak of the first world war.

Throughout 1912 the Government had constantly to keep an eye on conflicts abroad. The struggle between Italy and Turkey, which had begun in September of the previous year, was not

concluded until October 18, by which time there was a new war raging in the Balkans. Sir Edward Grey had striven assiduously to prevent the start of this war, but it was not until December 8 that negotiations to agree peace terms opened in London.

These discussions continued into 1913 but ended on January 23 and the delegates dispersed a week or so later. The fighting continued. Peace was not won until the end of May. But fighting began again in the Balkans within a month. In the meantime, Mr. Churchill at the Admiralty had invited the Germans to take "a holiday" from naval construction, but his suggestion was rejected with contempt. Unrest was growing in Europe. The way ahead, for those who could perceive it, was darkening.

So great had been the pressure of business throughout 1912 that the Session ran on into 1913 and one of the major Measures that had still not received a Third Reading in the Commons when the new year began was the Irish Home Rule Bill.

One of the first major Bills, and an unfortunate one for the Government, was the "Cat-and-Mouse" Measure, formally entitled the Prisoners' (Temporary Discharge for Ill-Health) Bill. Introduced on Second Reading by the Home Secretary on March 26, it was designed, in the words of the Preamble, "To provide for the temporary discharge of prisoners whose further detention in prison is undesirable on account of the condition of their health." It was to enable the Government to meet the embarrassing situation caused by the fasting in prison of suffragettes and to avoid forcibly feeding them. Women committed to prison for law-breaking in pursuance of the demand for women's rights could be let out if and when their physical condition, because of their own behaviour, began to cause concern.

Before the end of April the Bill had become an Act, but only after some acute criticism of its provisions, notably by Lord Robert Cecil, whose reference to its "cat-and-mouse" character gave it the nickname by which it has ever since been known. But it was shrewd statesmanship to produce and pass through the Measure, for on March 18, on a Conservative Motion, the Government had faced what was virtually a vote of censure on its handling of the suffragette problem. It was then suggested that these women should be released from prison. There was criticism of the Government for not allowing suffragettes to suffer the consequences of their own extreme behaviour while in prison; contrariwise for allowing the women to suffer in such fashion; and in general for not being able to stem the lawlessness and the outrages which were a feature of the suffragette movement during this period.

But Reginald McKenna, at the Home Office, was a firm and unemotional Minister. He had already piloted the Welsh Dis-establishment Bill through the Commons and, though the Lords rejected it for the first time on February 13, 1913, by 252 votes to 51, he was to take it through the Commons a second time before it was again rejected by the Lords on July 22. The third passage of the Bill came in 1914 (Third Reading in the House of Commons on May 19), after which, under the Parliament Act, the Lords could no longer delay its passage into law.

There were at least two important pieces of social legislation passed during 1913. The Trade Boards (Provisional Orders Confirmation) Act set up seven Boards in addition to those created by the Act of 1909 to fix minimum wage rates for time and piece-rate workers, in seven additional industries. The other, and more important, Measure was the Trade Union Act. This sought to rectify the situation created by the Osborne Case, which precluded trade unions from using any part of their funds for political purposes. This new Act, which was known generally as the Political Levy Act, entitled the unions to undertake political activities and to devote money to such purposes. It also gave individual trade unionists the right to contract out from supporting any Party without detriment to their position as trade unionists.

Before 1913 had run half its course, the Select Committee had reported on the "Marconi Affair" (May 1) and the Commons debated the matter on June 18 and 19. Members of the Committee were divided in their findings, but a Majority Report cleared Sir Rufus Isaacs, Lloyd George and Herbert Samuel of the charges made against them. The Commons, by 346 votes to 268, and after hearing personal statements from the Ministers concerned, carried an amendment moved by a Liberal back-bencher accepting "their expression of regret that such purchases were made, and that they were not mentioned in the debate of October 11 (1912), acquits them of acting otherwise than in good faith and reprobates the charges of corruption brought against Ministers which have been proved to be wholly false." So ended a further bout of trouble for the Government.

But the major concern of Ministers in this year was with the task of preserving the peace of Europe. Before June was out fighting had restarted between Greece and Bulgaria. Rumania and Serbia supported the Greeks and before the conflict ended Turkey had entered it and had recovered part of Thrace. A Peace Treaty was signed at Bucharest on August 10, but there was now a ferment among the Great Powers which only world war was to resolve.

CHAPTER FIVE

Politics and War

Irish Home Rule—D.O.R.A.—Industrial Unrest—Shell Shortage—Government Reconstruction—Sinn Fein Rising—Peace Rumours—Lloyd George Replaces Asquith—Submarine Menace—Reform Act, 1918—Armistice

IN the two world wars of this century the sharper conflicts of opposing Parties were modified. Legislation of a controversial nature was slight. In the face of danger national unity was essential and was reflected by the creation of Coalition Governments.

Thus 1914, remembered above all else as the year in which the first world war began, is also significant in the unfolding political history of the twentieth century—in respect not only of legislation, but of the words and deeds of certain political figures.

In the first half of the year two important Bills came forward, under the terms of the Parliament Act, for their third passage through Parliament. The Welsh Disestablishment Bill received its Third Reading in the Commons on May 19 by 328 votes to 251, and as the Lords could no longer delay its passage it received the Royal Assent on September 18. As war had begun between these two dates a Suspensory Bill was carried to postpone operation of the Measure for a year or until, at least, the end of the war, the term to be fixed by an Order in Council.

There was similar temporizing with the Home Rule Bill. It, too, received the Royal Assent on September 18, but only after a hazardous progress during which the King himself twice brought the leaders of the political parties into conference to seek ways of avoiding the bloodshed that threatened.

The Ulster Unionists, under the leadership of Sir Edward Carson, were pledged to resist Home Rule—Rule from Dublin. The Government therefore agreed that any Ulster county should have the right to vote itself out of the scheme for six years, and on June 23 a Bill to that effect was introduced in the Lords. The Upper House amended the measure to exclude the whole of Ulster without any time limit.

Meanwhile, the Curragh Incident had occurred. This followed the despatch of a battle squadron on practice to an area close to Belfast Lough, an act for which Mr. Churchill, as First Lord of the Admiralty, was responsible. Special precautions were also

ordered at depots in Ulster. When news reached the War Office that there was disaffection at the Curragh instructions were issued that officers whose homes were in Ulster could go away temporarily, and would suffer no ill consequences for so doing. The orders were misunderstood. In the event certain officers were dismissed the Service, the War Minister, Colonel Seely, resigned, and the Prime Minister himself took over the Department.

It was on July 24 that the Commons were told that the second of the conferences convened by the King to discuss the Home Rule question had broken down. On that day, too, the imminence of war became apparent. News reached London of Austria's ultimatum to Serbia. In the circumstances the Conservative Leader, Mr. Bonar Law, agreed with the Prime Minister that domestic differences must yield to unity in face of the danger to all. The Irish question was temporarily set aside.

The assassination of the Archduke Franz Ferdinand had already taken place at Serajevo on June 28. Yet there was still optimism, or blindness, within the Cabinet. Lloyd George in an interview published by the *Daily Chronicle* on January 3, had argued in favour of limiting naval estimates because of the improved condition of Anglo-German relationships, yet at this very time Churchill was pressing hard for more money to expand the naval building programme and build oil-tanks to hold reserve supplies. Again in July, after the Serajevo incident, Lloyd George repeated at the Guildhall (July 9) and in the Commons (July 23) his belief that in foreign affairs all was well.

Nevertheless, after the Serajevo incident the Government had become truly anxious, and when Austria's ultimatum to Serbia was delivered less than a month later Sir Edward Grey at once suggested that Britain, Germany, France and Italy should mediate. Germany and Austria rejected the proposal, and by July 29 Belgrade was under fire. Grey firmly declined Germany's suggestion that Britain should be neutral. France replied to a similar proposal by mobilizing her Army. Russia, having already mobilized her forces, was asked by Germany to demobilize. She refused to do so, and on August 1 Germany declared war on Russia. Declaration of war against France followed on August 3, but it was not until German troops crossed the Belgian frontier on the 4th that Britain entered the struggle.

Britain's entry into the war was opposed by a number of Ministers, notably John Burns and Lord Morley. Together with certain minor Ministers they resigned. But the Unionists, on August 2, had intimated their willingness to support intervention

by Britain. Grey explained the situation to an anxious House of Commons on August 3, and after him Bonar Law and John Redmond announced the support of the Unionists and the Irish, respectively. Ramsay MacDonald spoke against war on behalf of the dissentient minority in the House.

Britain entered the war on August 4th, and on the 6th the Prime Minister obtained a Vote of Credit for £100,000,000. Lloyd George, at the Treasury, had been concentrating on stabilizing the nation's economy, and by August 7 was able to assure the Commons that reports from the banks indicated that financial and business conditions throughout the country were satisfactory. More money to finance the war was obtained from a series of War Loans, the first launched in November to raise £350,000,000. The Chancellor also introduced a Supplementary Budget in November which doubled income tax and super-tax and raised the beer duty. He was still faced with a deficit of three-fifths of the year's expenditure to be obtained by the War Loan and other borrowing. There was not much criticism of the proposals, and on November 27 the Finance Bill received the Royal Assent.

Kitchener, meanwhile, had been appointed Secretary of State for War. Against the popular view he anticipated a long war, and he appealed for 100,000 men to be enlisted for four years, or the duration of the war. There was general approval of Kitchener's appointment. He commanded great public admiration, though his character remained a mystery. Lloyd George subsequently wrote of him: "He was like one of those revolving lighthouses which radiate momentary gleams of revealing light far into the surrounding gloom, and then suddenly relapse into complete darkness." (*War Memoirs*, Nicholson and Watson, Vol. II, p. 751.)

The ordering of the nation's daily life under wartime conditions was considered to justify special provision for speedy action without reference to the traditional Parliamentary safeguards. Accordingly on August 8 Parliament quickly enacted the Defence of the Realm Act which declared that "His Majesty has power during the continuance of the present war to issue regulations as to the powers and duties of the Admiralty and the Army Council for securing the public safety and the defence of the Realm." This power to make regulations was subsequently extended by Amending Acts into almost every field of governmental activity. But because D.O.R.A., as it has always been known, became law after hostilities had begun, an Act of Indemnity was passed to cover actions taken ostensibly under its authority but before it in fact had received the Royal Assent.

Anticipation of unemployment as a result of the war inspired the creation of Relief Committees all over the country, and local authorities were urged to press forward schemes that would give employment. A National Relief Fund was created to alleviate distress. Although unemployment was widespread in the latter part of 1914, there was little industrial unrest, and from early in 1915 and onwards the problem was to find adequate labour to replace the manpower transferred to the Forces.

One important political consequence of the war was an opportunity for the suffragette movement to redeem the ill-favour which it had aroused by the militancy and extremism of some of its members. The need for labour provided suffragettes with an excellent opportunity of undertaking work of all kinds previously done only by men. They realized their opportunity and a substantial measure of female suffrage, embodied in the Reform Act of 1918, was to be their reward.

The Government also regularized the position of women in industry *vis-à-vis* the trade unions in March, 1915, by concluding a Treasury Agreement under which the unions suspended their rules against the employment of women for skilled jobs on condition that they received similar wages as men for similar output.

Not until the Munitions of War Act became law in July was a rather ugly industrial situation resolved. Strikes and disputes occurred repeatedly during the early months of 1915, in many instances because of the refusal of skilled workers to accept the employment of unskilled labour on skilled jobs. There was also comment on the high profits that certain companies were making and, contrariwise, allegations of go-slow on the part of employees. Under the terms of the Act the Minister of Munitions was empowered to control factories engaged on munition production and to restrict profits in such factories; trade union regulations were suspended and heavy penalties were to be imposed on strikers; provision was also made for arbitration in specified trades.

One of the Government's greatest worries during the early months of 1915 was a shortage of shells. Production was far lower than it needed to be. One reason put forward by Lloyd George was that workers were drinking too much. His assertion was strongly resented, but King George ordered that no alcoholic drink was to be served in any of the Royal Palaces until the war had ended, and on April 15 the Prime Minister appointed Lloyd George Chairman of a Committee charged with ensuring that the best use be made of the country's means of producing and supplying munitions of war.

Asquith, in a speech at Newcastle on the 20th, denied that the

Army was suffering because of ammunition shortages, and Lloyd George, in the House of Commons the following day, spoke of greatly increased supplies of artillery ammunition. When Kitchener told the House of Lords on May 18 that there had been delays in meeting the munition requirements, though the likely demand for tremendous quantities had been foreseen, public anxiety and Press criticism were substantial.

Meanwhile, Lloyd George had received secret information from Sir John French, on the Western Front, about the shell shortage there. Facts of a similar kind had been published in *The Times* on May 14 in a letter from Colonel Repington. All this so angered the Chancellor that on May 19 he informed the Prime Minister that he would no longer preside over the Munitions Committee from which information was being concealed.

A few days earlier, on May 15, Sir John Fisher had resigned from his post as First Sea Lord. This was the consequence of his disagreements with Churchill over the Dardanelles campaign and of the inability of two men of such strong personality to work with each other. There was a similar element of strain between French and Kitchener, and Lloyd George never really "got on" with the War Minister.

Asquith faced a crisis. Bonar Law and Lloyd George, after private discussions, jointly told the Prime Minister that serious Parliamentary conflict could only be avoided if the Government were re-formed on a non-party basis. Churchill had wanted a coalition for many months, but now that it was come, and the Liberal Government of 1906 was to disappear, he was to be relegated to obscurity. On May 17 Asquith invited all his Ministers to hand in their resignations. On the 19th he announced that the Government was to be reconstructed, and on the 25th the names of the new Ministers were published. Lloyd George was put in charge of a newly-created Ministry of Munitions. Churchill became Chancellor of the Duchy of Lancaster and Balfour went to the Admiralty. Reginald McKenna was moved from the Home Office to the Treasury. The Conservatives brought into the Cabinet included Bonar Law, Curzon, Austen Chamberlain, Lord Lansdowne and Walter Long. Sir Edward Carson became Attorney-General and F. E. Smith (Lord Birkenhead) replaced Haldane as Lord Chancellor.

The ousting from the Government of Haldane was the Unionists' price of joining the Administration. There had been a Press campaign against Haldane. He was accused of having pro-German sympathies and of having failed adequately to develop the Army. Both charges were completely false, and many Liberals

—not least Asquith himself—felt deep sorrow at the loss of so able and loyal a statesman.

Lloyd George's Budget proposals were still under consideration when the Ministerial changes took place. They had drawn considerable Opposition criticism, though, apart from the general increase in taxation which all Parties accepted as necessary, the only unusual tax change was the heavy increase on alcohol duties. This was intended to reduce consumption of intoxicants, rather than to increase revenue. Under McKenna's guidance the Finance Bill became law on July 29. But Lloyd George had indicated that his Budget would not be the only Budget of 1915. He had put forward two sets of Estimates, the one to be applied if the war ended in a matter of months, the other if it proceeded for a further three years. The Government's final Budget proposals were to be announced when the outcome of the summer campaign was known.

McKenna introduced his own Budget in September. His proposals included an addition of 40 per cent. to existing income tax rates, increases in super-tax, increased duties on a number of commodities, increases in the cost of petrol and patent medicines, increases in postal charges and an *ad valorem* tax on certain imports, a tax long to be known as the "McKenna duties". These duties were attacked by the Free Trade die-hards of the Liberal Party, and the Protectionists of the Unionist Party questioned how the duties could both protect home industry and yet increase revenue. How could it be expected, they asked, that the imports bearing these duties would still come into the country and so provide revenue if the purpose was to keep them out so that home-produced articles could sell without foreign competition?

The other Budget proposal which drew substantial criticism—and from all parts of the House—was the excess profits tax of 50 per cent. One strong argument advanced against it was that firms would be discouraged from saving. By economising, it was claimed, they would only render themselves liable to pay more tax.

While McKenna's Budget was under discussion the Cabinet was being increasingly exercised by the shortage of recruits for the Services. The National Registration Act passed in June, under which all persons between the ages of sixteen to sixty-five had to register, had not produced the manpower needed and expected. Ministers were divided on the issue of Compulsory Service, and in October the Derby Scheme was introduced. It was a compromise scheme to be administered by the Earl of Derby as Director of Recruiting. Men between eighteen and forty-one were invited to register in groups and the unmarried men not on

essential work at home were to be called up first. Asquith declared in the Commons on November 2 that he was sure the result of the scheme would be "wholly satisfactory", and added: "I have not the least fear of there being any necessity to resort to anything beyond this great organized effort".

It was to prove otherwise. By December the scheme had proved itself a failure. More than a million bachelors had failed to register. The Director of Recruiting could not furnish the men required to maintain the seventy Divisions which Kitchener had declared to be essential. Indeed in September a Cabinet Committee had declared that a 100-division army would bear "a truer relation both to our dangers and to the exertions of our Allies".

McKenna, however, was convinced that sixty-five divisions was as much as the country could maintain without running short of both munitions and money. A Cabinet decision to proceed with a scheme of partial compulsion—the conscription of bachelors—which was enacted in January, 1916, led him to ask the Prime Minister to lay before the King his resignation.

Asquith faced another Cabinet crisis. Runciman and Sir John Simon supported McKenna's viewpoint and Sir Edward Grey intimated that he would resign from the Foreign Office if McKenna and Runciman went. In consequence of an appeal from the Prime Minister, Grey persuaded his dissident colleagues to attend a Cabinet meeting on December 30. There they were persuaded by Asquith to withhold their resignations and to accept the majority decision that this limited measure of conscription should be introduced.

The first Military Service Act proved inadequate and in May, 1916, the Universal Military Service Bill became law, rendering every male from eighteen to forty-one liable for service. It was passed by the Commons with only twenty-seven Liberals voting against the Third Reading, among them Sir John Simon, who resigned office because of his opposition to the principle of conscription. Ten Socialists also voted against.

McKenna was to introduce his second, and last, Budget on April 4. Despite the numerous tax increases proposed, it was better received than his Budget of the previous November. Income tax was raised, so were the tax rates on earned income, and higher rates were demanded for unearned income. An Amusement Tax was introduced; sugar, cocoa, coffee and chicory were increased in price; railway tickets were taxed; a duty of fourpence a thousand was imposed on matches; car and motor-cycle licences were raised.

The criticism of certain Budget items by members of the Irish Party was traditional of its kind, and in no sense foreshadowed the

vehemence and bloodshed that were so shortly to be unloosed. Within weeks of the Budget the Easter rebellion took place in Dublin—a rising by Sinn Feiners—precipitated by the attempted landing near Tralee of arms from a German auxiliary vessel and a German submarine. British naval vigilance prevented the landing. The Germans, on being challenged, scuttled their auxiliary, but many of the crew and others aboard were captured. Among them was Sir Roger Casement, a former British Consular official, who was later hanged. The Dublin uprising occurred the day after the naval incident and continued for a week. Hundreds were killed and wounded, thousands were arrested and finally fifteen of the rebel leaders were tried and shot. One captive who was released was named De Valera.

The uprising caused concern in England. Birrell, the Chief Secretary for Ireland, resigned because of it and on May 11 Asquith visited Dublin, Belfast and Cork. On his return he announced that Lloyd George was to try to settle the Irish problem, and intimated that Home Rule should be introduced as speedily as possible. Sir Edward Carson and John Redmond, after long discussions with Lloyd George, took over to Ireland a series of proposals. Momentarily it seemed that the Nationalists and Unionists would accept these “Headings of Agreement,” as they were called. But there had been a serious misunderstanding. The Unionists thought Ulster was to be permanently excluded from the operation of Home Rule; the Nationalists were under the impression that exclusion was only for the duration of the war. Once this was realized by the two sides hope of a settlement quickly faded. The Government could not proceed with Lloyd George’s scheme.

While attempts to “clear up” the Irish trouble were still proceeding an Economic Conference took place at Paris, in June, attended by Allied representatives. The Pact of Paris—the agreement that was produced in consequence of the discussions—was a forward-looking document. It outlined measures for future economic co-operation during the war, for reconstruction after the war, and for permanent collaboration. The Pact was of tremendous significance in British political development. In the words of J. A. R. Marriott (*Modern England, 1885-1945*, Methuen, pp. 385-386): “For Great Britain the recommendations marked a complete break from the *laissez-faire* policy which for the best part of a century she had consistently followed. The “McKenna Duties” had already supplied the thin end of a Protective wedge. But they might well have been regarded as a temporary war expedient. The Paris Pact foreshadowed a permanent reversal of fiscal policy.”

One reason for the Paris meeting was the tightening economic straits in which most Allied countries found themselves as the war progressed. When the conference was over, the British Government at once set up a Commercial and Industrial Policy Committee under the chairmanship of Lord Balfour of Burleigh, whose subsequent proposals in favour of Imperial Preference were to be upheld by the Imperial Conference and by Lloyd George in the "Coupon" Election, both of which were to take place in the following year.

Before the Irish negotiations were concluded Lloyd George had left the Ministry of Munitions. On July 6 he became Secretary of State for War, Kitchener having been drowned when the *Hampshire*, on which he was bound for Archangel, was sunk by a mine on June 5. This was a further step towards his assumption of the Premiership, an eventuality which by now was being constantly discussed among Lloyd George's friends, of whom a growing number were in the Unionist Party. He had become increasingly dissatisfied with Asquith's lack of urgency and drive in his conduct of the country's affairs under war conditions.

Edwin Montagu, a prominent young Liberal Member, who succeeded to the Ministry of Munitions, paid warm tribute to his predecessor in a speech in the Commons on August 15. Justifiably, for weapons and munitions of every kind were now being produced in vastly superior quantities and in far less time than when Lloyd George first took office. His success was beyond question.

The war had by now entered a severe phase. At Verdun and the Somme British troops had suffered terrible losses. Although the German Fleet had been encountered at Jutland and forced to retire—as it ultimately proved for the remainder of the war—the submarine blockade was proving increasingly effective. Import restrictions were imposed, food supplies were diminishing and prices were rising. In November the Government appointed Lord Devonport as the first Food Controller.

During the autumn rumours of peace negotiations were sedulously spread by German agents. The rumours were false, but discussion of them by the Cabinet elicited from the military experts a pronouncement that the prospects for 1917 were favourable if sufficient troops and munitions were available. But Lloyd George, from a new vantage point at the War Office, was deeply disturbed at the way in which the war was being fought. In particular he was critical of the strategy and the administration. A Committee of seven Ministers responsible for the strategic conduct of the war had been in existence since November, 1915. Previously the Dardanelles Committee of ten Ministers, whose first meeting was

on June 7, 1915, had undertaken this duty. That Committee had succeeded the War Council which, in its turn, had superseded the peace-time Cabinet which until the end of November, 1914, had continued in charge of the war.

A suggestion made by Sir Maurice Hankey set off the series of events that were to end with the replacement of Asquith by Lloyd George. Hankey proposed the substitution of a smaller War Committee than that in operation. The Prime Minister would be President with Lloyd George as Chairman. Dr. Thomas Jones, C.H., comments wittily on the consequences (*Lloyd George*, Oxford University Press, p. 78): "The idea struck Lloyd George with the same force as the light from Heaven struck St. Paul on the road to Damascus—which was odd, for the notion of a small executive, with or without autocratic power, had been repeatedly canvassed. Both agreed that Asquith should continue as Prime Minister. But before submitting the plan to Asquith, Lloyd George thought it best to sound Bonar Law, so a telegram was sent to Lord Beaverbrook asking him to arrange a meeting between Law and Lloyd George on the following evening. The crisis had begun, or, rather, was developing; the issue turned on whether the control of the war should be in the hands of five Ministers or twenty."

Dr. Jones's narrative of what subsequently happened, more than any other, gives a comprehensive and succinct account—based both on personal knowledge and a wide reading of biographies—of the personalities, considerations, the to-ing and fro-ing that were to place Lloyd George at the head of the Government. Quotation *in extenso* is justified because of the political importance, and interest, of what happened. Dr. Jones writes (*Lloyd George*, Oxford University Press, pp. 84–86):

"The first and major fact is that Lloyd George was determined to get the direction of the war into his own hands, either as chairman of a small executive council of three or four, or by resigning as Secretary of State for War and, if necessary, forcing a general election.

"Lloyd George would have preferred—but not for long, we may be certain—that Asquith should remain President of the Cabinet and Leader of the House of Commons. Bonar Law who, no more than Asquith, fully trusted Lloyd George, was for retaining Asquith as Prime Minister, while Carson would have welcomed his exclusion. Bonar Law, who sought to keep up relations of loyalty and frankness with Asquith, was being half pushed along by Beaverbrook and half towed along by Carson in wavering support of Lloyd George.

"His Unionist colleagues had small confidence in Asquith, but had no wish to make Lloyd George chairman of the new council.

Balfour was in favour of separating the functions of Prime Minister and Leader of the House from those of chairman of the War Council. He wanted Asquith's retirement from the Government averted if possible, but deemed the possible loss of Lloyd George to be the greater disaster. The suggestion that he himself should be Prime Minister was mooted, but Asquith would not have this, and it is certain Balfour did not press it.

"On Friday, 1 December, Lloyd George saw Asquith and put forward, formally, his scheme for a small executive body to run the war; Asquith replied the same day with unsatisfactory counter-proposals. On Sunday, 3 December, Bonar Law met his Unionist colleagues, who passed a resolution of an ambiguous character, the purport but not the text of which he conveyed to Asquith that afternoon. Asquith got the impression that the Unionists would not support him in resisting Lloyd George's demands. Under this impression, when he saw Lloyd George, and later Bonar Law, on the same day, he agreed to the proposed functions and number of the new War Council, while reserving for further consideration the question of personnel. Lloyd George telephoned to his home in Walton Heath that the interview had been satisfactory. Asquith felt warranted in informing the King that the Government must be *reconstructed*, but this did not appear to involve his *resignation*. At 11.45 p.m. he issued a press notice to that effect. Next morning, Monday, 4 December, Lloyd George and Carson breakfasted with Lord Derby—whose support they had secured—and discussed the new administration. Later in the morning Lloyd George was so much under the impression that his scheme was accepted that he asked Hankey to draft rules for the new War Committee.

"In the meantime, Asquith had been upset by a leading article in *The Times* of that morning which displayed intimate knowledge of Sunday's negotiations and stressed the fact that he was not to be a member of the new War Committee. He wrote to Lloyd George: 'Unless the impression is at once corrected that I am being relegated to a position of an irresponsible spectator of the War, I cannot possibly go on.'

"For months past, Northcliffe's papers, including *The Times*, had remorselessly attacked Asquith, but they had also been hostile to Lloyd George. Now the offending article came out with a eulogy of the latter, and Asquith naturally thought that Lloyd George had inspired it. Lloyd George denied this but he was probably not believed, though it is now known that he had nothing to do with it. The article was written by Geoffrey Dawson, the editor of *The Times*, who had seen Carson on Sunday. The newspapers

were naturally kept informed during the crisis by their parliamentary correspondents, as well as by Lloyd George himself, his secretaries, and his partisans.

"During Monday, Liberal Ministers visited Asquith and gave him contradictory advice. 'Rigidity', thumped McKenna and Harcourt. 'Elasticity', whispered Montagu and Reading. Asquith stiffened, and that evening wrote to Lloyd George: 'I have come decidedly to the conclusion that it is not possible that such a Committee could be made workable and effective without the Prime Minister as its Chairman.' This was to deny the understanding reached on Sunday. To this Lloyd George replied on the following day with a virtual resignation: 'I place my office without further parley at your disposal.'

"That Tuesday afternoon Asquith saw Curzon, Robert Cecil, and Austen Chamberlain. He asked them whether they would be prepared to go on with him whilst Lloyd George and Bonar Law resigned. They answered with a perfectly definite negative, and held themselves free to serve in a Lloyd George administration. They withdrew, joined their Unionist colleagues, and presently sent Curzon with a message to Asquith urging him to resign or to accept their resignations. He informed Curzon and the Liberal Ministers who were assembled that he had decided to tender his resignation. He did so at seven o'clock that evening.

"At 9.30 a.m. the King summoned Bonar Law to the Palace as the leader of the largest single party in the House of Commons and asked him to form a Ministry. This proposal had been anticipated, and Lord Beaverbrook says it had been agreed between Lloyd George and Law 'that while Lloyd George's Premiership should be aimed at as the ideal, Bonar Law's should be accepted as the practical solution if all else failed.' Law asked for time. A meeting at Buckingham Palace was suggested by the King, and this took place on the following afternoon with Asquith, Bonar Law, Lloyd George, Balfour, and Arthur Henderson present. In the meantime Bonar Law had seen Asquith and Balfour. Asquith, following his own inclinations, confirmed later by the advice of his Liberal friends, refused to serve in an administration formed by Bonar Law, or Balfour, or Lloyd George. Bonar Law returned later to the Palace and advised His Majesty to call in Lloyd George, who was then entrusted with the task.

"On Thursday, 7 December, 1916, Lloyd George kissed hands on appointment as Prime Minister, being within five weeks of his fifty-fourth birthday, and having been a Member of Parliament for half that period."

Many Ministerial changes followed. A War Cabinet was set up consisting of the Prime Minister and First Lord of the Treasury ; the Lord President of the Council and Leader of the House of Lords, Lord Curzon ; the Chancellor of the Exchequer and Leader of the House of Commons, Bonar Law ; Ministers without Portfolio, Lord Milner and Arthur Henderson. Balfour succeeded Grey at the Foreign Office and Carson became First Lord of the Admiralty in succession to Balfour. An innovation was the appointment of Ministers from outside the Parliamentary ranks—H. A. L. Fisher to the Board of Education, and Sir Albert Stanley, a leading business figure, as President of the Board of Trade.

The inclusion of three Labour Members in the new Administration—one of them, Henderson, in the War Cabinet—gave Labour a greater and more responsible representation in the Government than it had ever before enjoyed.

A special Secretariat prepared agenda and minutes for the War Cabinet, ensured the distribution of appropriate Cabinet papers to the various Departments and arranged for Ministers to attend its meetings when the work of their Departments was to be considered. An extended system of Cabinet Committees was also developed.

Lloyd George initiated a further innovation. He invited the Dominion Prime Ministers and representatives of India to attend a series of Cabinet meetings in 1917 and in March of that year the first meetings of the Imperial War Cabinet took place. There were further meetings in 1918, but after that the practice lapsed.

The first year of Lloyd George's Premiership was in many ways the most terrible of the war. In the early months of 1917 the German submarines were consistently sinking an alarming number of British and neutral ships with inevitably ill consequences for the nation's food supplies. When Lord Rhondda succeeded Lord Devonport as Food Controller in June it had become necessary to introduce rationing, fix maximum prices for foodstuffs. There was an upsurge of industrial unrest which was eventually mollified in part, at least, by the appointment of commissioners who investigated any troubles that arose and proposed remedies.

Meanwhile, revolution had broken out in Russia (March 12) so weakening some part of the Allied strength. As against this the entry into the war of the United States on April 6 was far more than compensation.

July brought a number of Ministerial changes, the most notable, in retrospect, being the return of Churchill as Minister of Munitions. He succeeded Edwin Montagu, who replaced Austen Chamberlain at the India Office. Sir Edward Carson joined the War Cabinet

and was replaced at the Admiralty by Sir Eric Geddes. Dr. Addison became Minister of Reconstruction—a hint, if no more, of the Premier's forward-looking policy.

It was also in July that Lloyd George established the Irish Convention, a gathering of all Parties, save the Sinn Feiners, which met at Dublin to consider once more the problem of Home Rule. The Convention sat for nine months, but dispersed in April, 1918, without having reached any agreement.

From the end of July until early November the appalling battle which culminated in the mud and losses of Passchendaele was fought out to its relentless completion. Lloyd George had never agreed with the launching of the offensive. Its turgid, bloody progress upset him greatly and increased his disapproval of Sir Douglas Haig, the Commander-in-Chief, and Sir William Robertson, Chief of the Imperial General Staff. Lloyd George had long desired the creation of a Supreme War Council composed of representatives of all the Allies. Only such an organization, he believed, could provide the unity of command and strategic design that were essential to the successful waging of the war. Such a body was eventually agreed upon at a conference at Rapallo in November, whereupon in a speech in Paris a few days later (November 12) Lloyd George surprisingly attacked allied strategy and lack of unity and spoke critically of the British generals. The fall of the Government was forecast, yet in the Commons on the 19th, when the matter was debated, the Prime Minister defended himself with such vigour as to delight the House.

One of Lloyd George's first tasks in 1918 was to disabuse the nation of any idea that the Allies were contemplating peace with Germany. There had been many rumours during 1917 that the enemy was anxious to obtain a peace settlement. In fact, there had been a number of feelers and secret conversations, the purpose of which was to establish whether or not a basis for peace did exist. Having obtained the approval of the Cabinet and the Dominion Ministers, Lloyd George accordingly explained to a trade union gathering at Caxton Hall on January 5 the nature of Britain's war aims and relieved his listeners of any thoughts that peace was imminent. On January 9 President Wilson expounded his famous Fourteen Points, but despite the terrible fighting that was yet to come German and Austrian Statesmen during February and March sought further to persuade the Allies to consider some measure of formal discussion on a cessation of the fighting.

Disagreements between Lloyd George and the British High Command added greatly to the worry and strains of the early months

of 1918. In addition there were strikes, rising food prices and corresponding domestic discontents. Towards the end of March the Germans launched the first of a series of anticipated offensives and some of the grimmest and most terrible fighting of the war was to follow before the end came. The treaty of Brest Litovsk signed in March between Russia and her former enemies finally robbed the Allies of all Russian help.

The spring offensive was launched against an Allied Force of substantially smaller size than that of the Germans, and the British 5th Army was beaten back with heavy losses.

The Cabinet urgently prepared legislation to extend the application of conscription to classes of men hitherto exempt, the age of enlistment was raised to include the over-fifties and conscription was extended to Ireland. Events in the near future were to render this provision unworkable. The Irish leader in the Commons, John Redmond, by now regarded as a "moderate" Nationalist, died in March and in April the Irish Convention set up by Lloyd George the previous year had to admit its total failure to agree on a settlement of the Irish problem. The Americans were also pressed to hasten the despatch of increasing numbers of troops to Europe. By the middle of May, Foch had been appointed Supreme Commander of the Allied Forces, thus consummating Lloyd George's long-desired wish for a single director of Allied military activities.

Meanwhile the "Maurice Debate" had taken place at the House of Commons and stirred the interest of the whole country. On April 9 the Prime Minister had told the Commons that the army in France on January 1, 1918, was stronger than it had been on January 1, 1917. He further said that the proportion of British Troops in Egypt and Palestine was small as compared with the number of Indian troops. Major-General Sir Frederick Maurice, a former Director of Military Operations at the War Office, wrote a letter to the Press on May 7 accusing Lloyd George of inaccuracy.

The Government's immediate reaction, expressed in the House by Bonar Law, was that two Judges should inquire into the question and report as quickly as possible. But the feeling in the Commons was such that it was decided to allow a debate on the matter. A debate was held on May 9 during which Asquith moved the appointment of a Select Committee to inquire into the allegations made by General Maurice. He was the only Opposition Front Bench speaker, and pressed his motion to a vote despite the Prime Minister's appeal that he should not do so. Lloyd George replied to the debate and in the opinion of a majority of Members, and most

people in the country, gave a convincing rebuttal of the charges. The Government drew 293 votes against the Opposition's 106.

Study of the relevant information on which Lloyd George's original statements were based does suggest that there was some substance in Maurice's allegations. It is arguable that there was some misunderstanding, and the Prime Minister was certainly supplied with some wrong information. There is no clear evidence that Lloyd George deliberately sought to deceive the House of Commons.

What was most significant about the debate and of the greatest consequence was that Asquith's action in pressing his motion to a division settled the course on which his future relationship with Lloyd George was to develop up to their irrevocable cleavage in the "Coupon Election" of the following December.

Despite all the worries of this difficult year the legislative programme contained at least three important measures, all of which passed into law. The 1918 Reform Act introduced adult suffrage for men and gave the vote to women over thirty years of age. Plural voting based on a property qualification was abolished. The Universities were empowered to vote on the principle of proportional representation. Changes were also made in the redistribution of constituencies and in the system of registration. A further Bill passed in November gave women the right to stand for Parliament.

The Education Act of 1918 made available a sum of £8,000,000 to enable university education to be provided for ex-servicemen. The school leaving age was raised to fourteen. The employment of children under twelve years of age was prohibited and all elementary school fees were abolished. There were new provisions for school health services and for the creation of special schools.

It was also in 1918 that Joint Industrial Councils were first established—the Whitley Councils as they are known after Mr. J. H. Whitley, subsequently Speaker of the House of Commons, who was Chairman of the Committee that proposed their creation.

So it was that despite the continuing preoccupations with the progress of the war, the Government also strove to prepare for the peace. As the year advanced and the prospect of peace became more certain Lloyd George, according to the subsequent writings of his contemporaries, also thought increasingly of a general election.

The Allied counter-attack began early in August and never slackened. On October 4 Germany and Austria were suing for peace. The armistice was signed at 5 a.m. on November 11. Lloyd George was tumultuously received in the Commons that afternoon and a fortnight later Parliament was dissolved. The election was to precede the peace-making.

CHAPTER SIX

Decline of Liberalism

The "Coupon Election"—Strikes and the "Triple Alliance"—
Imperial Preference—Female Suffrage—Settling the Peace—
The Carlton Club Meeting—Conservatives in Power

IN the "Coupon Election" held on December 14, 1918, Lloyd George was returned to power as head of a Coalition Government with a heavy majority. He had worked for, and expected, his success. But the circumstances in which this "infamous election," as Stanley Baldwin once described it, was fought have not yet ceased to be discussed. Denigrators and defenders of Lloyd George's conduct at this time have yet to resolve their differences.

The facts are these. The Parliament that had been dissolved within a fortnight of the Armistice was eight years old. Since 1915 it had been kept alive during the war by Prolongation Acts. Party controversy during the fighting was undesirable. The war ended, it was right that the country should have an early opportunity of re-electing the Government; the Reform Act passed earlier in the year, allowing women over thirty to vote for the first time and extending universal suffrage to men, was further reason for an early election. The end of the war gave birth to immense new problems: firstly to the peace-making and, secondly, to reconstruction and rehabilitation at home. The public was entitled to say who should be in charge of these important undertakings.

The Unionists agreed to support an election fought on a coalition basis. So did non-Asquith Liberals. The basic programme on which the election was contested called for repayment by Germany of Britain's war expenditure, punishment of those responsible for atrocities, and the creation, in terms of the Press parlance of the day, of "a home fit for heroes to live in."

The "Coupon" of the election was the endorsement provided by Lloyd George and Bonar Law to every candidate who supported their programme. But it was not given to any M.P. who had voted against the Government in the "Maurice Debate." The Liberal Party was thus split in two, and its strength thereafter was steadily to wither away.

The Coalition went back to power with a tremendous majority. The "Coupon" candidates won 526 seats, 28 Asquithian Liberals

were returned and Labour won 63 seats. Of the 80 successful Irish Nationalists, no fewer than 73 were Sinn Feiners who refused to take their seats at Westminster.

There were some surprising individual results. Asquith, himself, was defeated in Fifehire; among the prominent Socialists who were unsuccessful were Philip Snowden and Ramsay MacDonald. Because of their strength the Labour Party claimed to be the official Opposition, a claim that the Liberals, headed by Sir Donald Maclean, sharply contested.

The War Cabinet was retained, its members, apart from the Prime Minister, being Bonar Law, Austen Chamberlain, Lord Curzon and the Socialist, G. N. Barnes. Bonar Law became Lord Privy Seal and remained Leader of the House, yielding the Treasury to Austen Chamberlain. Winston Churchill retained the War Office, also becoming Secretary of State for Air. Lord Birkenhead succeeded Lord Finlay as Lord Chancellor.

For the first half of 1919 Lloyd George was concerned primarily with the Peace Conference. It was more than sufficient to fill his time, but there was to be plenty of trouble for the Prime Minister and his colleagues to face at home. In mid-January the Sinn Feiners who had won seats at Westminster in the election established their own Parliament in Dublin, proclaimed an Irish Republic; during the succeeding months outrages continued at a high rate until by the end of the year the Nationalists were virtually in control of the country. During this period the Government introduced a Bill—in March—which provided for the creation of a Parliament in the South and a Parliament in the North of Ireland. Certain powers were reserved to the Parliament at Westminster. It was not until the end of 1920 (December 23) that the measure became law and not until the following year that its provisions were enacted.

Although the ample employment and general prosperity which prevailed at the end of the war were to continue for a further year or two, there was not the same discipline of restraint once hostilities ceased. The Unions quickly began to consider ways and means of improving the lot of their members and, despite the negligible influence of Communism as such, the Russian Revolution had aroused in Britain a heightened consciousness of rights, giving impetus to the struggle of labour versus capital, and was not wholly unconnected with the innumerable industrial disputes that were to continue for many months. The Industrial Courts Act of 1919, which was an earnest of the attempt to find a way of settling disputes other than by means of strikes, provided a tribunal to which dis-

putes could be referred when the existing means of seeking a settlement had been exhausted.

January opened with strikes in several industries. The miners' threat to strike if they were not granted higher pay, shorter hours—and nationalization of the mining industry—was the gravest issue that the Government had immediately to face. A Royal Commission was appointed to consider the overall situation of the industry. It was instructed to produce a Report by March 20 and the miners, accordingly, deferred strike action until March 22.

Mr. Justice Sankey, as he then was, presided over the Commission which presented interim reports on the day appointed. The Chairman's report, which the Government adopted, proposed higher payment and a reduction of the working day by one hour. It did not specifically recommend nationalization, but firmly condemned the existing system of mine ownership. In face of the Government's acceptance of these proposals, and a promise that by May 20 the Commission would report on nationalization, the strike was called off. The Chairman, in a minority report, was to concur with the report of the miners' representatives on the Commission that the mines should be nationalized, so providing a majority in favour of this course, but Lloyd George was adamant that such a step could not be taken without a specific mandate from the country. Certain other recommendations were accepted and the miners, temporarily, were satisfied.

While the miners' claims were being considered the Government had also to apprehend the possible consequences of action by the "Triple Alliance"—the railwaymen, the miners and the transport workers. Their unions had an agreement to support each other should any one take strike action. The danger that these three key groups would all cease work was avoided, but the Government had to agree to wage increases for all railwaymen. The cost fell on the State because the wartime legislation that had placed the railways under Government control was still in force. The railway truce was only temporary; in September the men struck for a week.

Perhaps the most emphatic evidence of the degree to which dissatisfaction had spread throughout the country during this period was that even the Police were involved. There was considerable agitation in the Metropolitan Force and at Liverpool a strike actually occurred. The Police Act of 1919, which resulted from this situation, provided for the creation of a Police Federation to act through local and central representative bodies to bring to the notice of police authorities and the Home Secretary all matters affecting welfare and efficiency other than questions of discipline

and promotion. The Act forbade Policemen to be members of a trade union concerned with conditions in the Force and made it a severe offence for anyone to cause disaffection among members of any Force.

Several other important items of legislation were passed during the year. One of the first, the Re-election of Ministers Act, relieved Ministers of the necessity of being re-elected to Parliament because acceptance of certain offices demanded that they vacate their seats. Hitherto Ministers who accepted certain offices had to give up their seats and later submit themselves for re-election. Under the new Act, which was made retrospective to January 1, 1919, Ministers were exempted from the necessity of being re-elected, provided their acceptance of new offices had taken place within nine months of the summoning of a new Parliament.

The Finance Bill gave effect to the first "Preference Budget," the Budget which introduced the principle of Imperial Preference. Duties on non-Empire imports were not raised. Instead, the Chancellor remitted the rates on Empire imports except in respect of spirits.

The Ministry of Health Act brought into existence the Health Ministry in the form in which it has ever since been known. It provided for the appointment of a Minister of Health and for the transfer to him of powers and duties previously carried out by the Local Government Board and the Insurance Commissioners, and certain powers of the Board of Education covering the health and medical examination of schoolchildren. There was also provision for the extension of services and duties, and the Act anticipated the creation of consultative councils to advise the Minister on matters affecting the health of the people.

The Government of India Act was another step towards "responsible government" for India, to quote the words used in the Montagu-Chelmsford Report on which the Act was based. It provided for a number of legislative changes; but India was not to become a land of peace merely because such a development was willed at Westminster and legislated for by Parliament.

The Church of England Assembly (Powers) Act was passed following the requests from the Convocations of York and Canterbury that certain powers in regard to legislation concerning the Church of England should be conferred on the National Assembly of the Church of England. The Act provided for the creation of an Ecclesiastical Committee composed of Members of both Houses of Parliament to study measures passed by the Church Assembly and report on them to Parliament. If both Houses approved their

presentation to the King, such measures would, on receiving the Royal Assent, have "the force and effect of an Act of Parliament."

But the most important Church measure of the year was the Bill introduced on August 4 "to continue in office the Welsh Commissioners appointed under the Welsh Church Act, 1914, to postpone the date of Disestablishment, and to make further provision with regard to the 'Temporalities' of, and marriages in, the Church of Wales."

This new Bill, which had received the Royal Assent by August 19, distinguished between the ancient and modern endowments of the Church in Wales and took from the Church all endowments prior to 1662. It provided for three Commissioners to be responsible for the distribution of property not covered by the Act, and sanctioned the creation under Royal Charter of the Representative Church Body of the Church in Wales which was to be the ecclesiastical administrative organization of the Disestablished Church. But not until the following year was this new Act, together with the Welsh Church Act of 1914, to come into force.

Just before Christmas, on December 23, the Royal Assent was given to the Sex Disqualification (Removal) Bill. Women had received the vote the year before. Now they were to be entitled to stand for Parliament. Not only that; they were not to be disqualified by sex or marriage from appointment to civil or judicial posts, nor from carrying on any civil profession or occupation. There was also a clause which stated that the Statutes and Charters of Universities should not be deemed to preclude the authorities from making provision for the admission of women to membership, and to degrees, rights and privileges.

While the country's manifold labour troubles and the not inconsiderable legislative programme were actively commanding the attention of Ministers and Members the gigantic task of trying to settle the peace was proceeding in Paris. The responsibilities Lloyd George bore compelled him to travel to and fro between London and Paris at frequent intervals. And on neither side of the Channel did harmony dominate events. There was personal conflict between the major participants in the discussions. There were differences of approach on the treatment to be accorded to Germany. The French, in particular, wished to deal sternly and severely with the defeated enemy. Lloyd George argued against punitive treatment, particularly in respect of reparations that might in the event prove beyond Germany's capacity to meet. Indeed, the moderation of the Prime Minister's approach to the treaty-making compelled his return to Westminster in mid-April to defend

himself against Press attacks and to answer the substantial volume of critical correspondence from Coalition M.P.s that had reached him in Paris. His speech was described by J. L. Garvin in the *Observer* on April 20 as "Mr. Lloyd George's oratorical Austerlitz."

The Treaty was handed to the German delegates at Versailles on May 7, their comments were subsequently considered and a few amendments to the original draft were made. The formal signing took place in the Hall of Mirrors on June 28. On the 29th Lloyd George returned to London where he was met at Victoria Station by the King—who subsequently conferred upon him the Order of Merit.

In addition to the Versailles Treaty a number of other Treaties were negotiated between the Allies and the smaller enemy states. In all of them the text of the Covenant of the new League of Nations was incorporated—the blue-print of an ill-fated organization that was to try to prevent future wars.

Ireland, industrial problems and international affairs continued to be the major preoccupations of the Government. If domestic issues, rather than those deriving from the war, commanded more public interest, this was understandable. Their impact was more direct, their causes were better understood, their effects immediately felt.

Sometimes there was a direct link between the industrial unrest and Ireland, as when railwaymen in Ireland refused to touch munitions intended for the forces who were trying to keep order there. Or between stoppages and foreign affairs, as in the case of the goods which Britain was shipping to Poland, now at war with Bolshevik Russia, which railwaymen would not handle because they sympathized with the Bolshevik revolt against capitalism.

During 1920 it was the miners who provided the major source of industrial trouble. Their persistent demands for nationalization were eventually met with the Mining and Industry Act which, besides providing that the men should be represented on committees at local, area and national levels, established a Department of Mines and set out plans for reorganizing the industry. This Act succeeded a new wages agreement that came into force in March, yet in the late autumn of 1920 there was a three-weeks strike in the industry. Before the year ended the Government had passed the Emergency Powers Act, giving the King power to proclaim a state of emergency, and within a matter of months this measure was to be implemented.

One important event in 1920 occurred on July 1 when Sir Herbert Samuel became the first High Commissioner of Palestine. His duty was to secure conditions under which the promise made by

Mr. Balfour in 1917 that Palestine should become a national home for the Jews could be fulfilled.

Late in the year the parent Act of the system of national unemployment insurance became law. This Act was introduced by the Government to place unemployment insurance on a national basis and align it with health insurance. With a few exceptions all manual workers were covered, and all non-manual workers earning not more than £250 a year. This meant that nearly 12,000,000 were eligible to pay contributions and receive benefits. Of the combined contribution made by the State, the employer and the employee, the State paid one-fifth. Employers and male employees each paid the same weekly sum of fourpence a week; women employees paid threepence weekly and their employers threepence-halfpenny.

The satisfactory way in which the trade boards, the first four of which were established under the terms of the Trade Board Act, 1909, had subsequently worked led the Government to promote legislation that produced some fifty more Boards to fix wages and conditions for the various industries they represented.

By 1921 it was becoming clear that the continuance of full employment and general prosperity was based on false hopes. Although there were fewer than 500,000 unemployed when the Unemployment Insurance Act of 1920 reached the Statute Book in November, 1920, by the end of June, 1921, there were at least 2,000,000 wholly unemployed. For this the actuarial basis of the 1920 Act was hopelessly inadequate. Three further Acts were passed—in March, July and November—to produce the money required to meet unemployment benefit claims, to vary the terms under which people could obtain benefit, and to provide for dependents' benefit.

The outbreak in April of a strike in the mining industry, a strike that was to last three months, added to the burden which the unemployment fund had to meet. A State of Emergency was proclaimed on April 1 and a threat from the other members of the "Triple Alliance" to stage a general strike in support of the miners greatly increased the anxiety of the Government. This strike was to begin on April 15, but was averted at the last minute. Thereafter the power of the "Alliance" was ended, but the miners' stoppage cost the country a great deal of money and the agreement finally reached between the miners and the mine owners at the end of June was assisted by Parliament voting £10,000,000 towards the easing of the wage difficulties that followed the decontrol of the mines. More than £50,000,000 had also been paid to the railways

when the wartime control of the State was concluded. The Railways Act introduced a substantial measure of rationalization into the industry. There were, at the time, nearly 100 companies. These were reduced to the four groups which remained until nationalization nearly thirty years later. The Act also created a Railway Rates Tribunal and a National Wages Board.

The repeal of the Corn Production Act hit many farmers severely, and the abolition of the Agricultural Wages Board deprived farm workers of the wage safeguards they had previously enjoyed. The worsening economic condition of the country led Sir Robert Horne, who the previous year had succeeded Austen Chamberlain as Chancellor of the Exchequer, to appoint a committee under the Chairmanship of Sir Eric Geddes to recommend ways and means of reducing national expenditure. The "Geddes Axe" was subsequently applied to lop some £52,000,000 from Government spending, though the Committee had recommended saving a much more substantial sum.

The elections foreshadowed by the 1920 Act providing for the establishment of Parliaments in Northern and Southern Ireland were held in May. The Unionists won a handsome majority in Ulster; in the South the Sinn Feiners won every seat save the four Trinity College, Dublin, seats. The Parliament of Northern Ireland was opened on June 22 by the King who made a speech appealing for moderation and conciliation. It drew such favourable reactions that Lloyd George invited Mr. De Valera and the Ulster Prime Minister, Sir James Craig, to attend a conference in London. They came and were given the British proposals for resolving the differences that had so long bedevilled Ireland's history. The main feature of the proposals was the offer of Dominion status. De Valera rejected the proposal. Subsequently, in October, representatives of De Valera came to London. Talks with them continued for nearly two months, Lloyd George being supported by Winston Churchill, Lord Birkenhead and Austen Chamberlain. Chamberlain had become Leader of the House in the spring following Bonar Law's resignation on account of ill-health.

On December 6 agreement was reached. A treaty was signed which conferred Dominion Status on Ireland, as the Irish Free State, but gave the North the right, which was quickly exercised, to contract out. The necessary Parliamentary approval was given to the Treaty which was to come into force in March, 1922. But there was to be still more bloodshed and destruction before peace matured.

One of the most important of the conferences which Lloyd George

attended during 1921 was the Imperial Conference held as a result of the decision taken at a similar conference in 1917. Delegates discussed among other matters, "the constitutional relations of the component parts of the Empire." They decided against trying to formulate the constitutional relations between Britain and the Dominions, but favoured further meetings and the maintenance of direct communication between Ministers in the Dominions and the United Kingdom.

In November many of the delegates were to attend a conference at Washington called by the United States Government to discuss arms rebuilding and there again the position of Japan, particularly in respect of that country's alliance with Britain, was thoroughly discussed. A Peace Treaty resulted and, later, an agreement between Britain, France, America, Japan and Italy was signed limiting the proportion of capital ships each country should possess.

The legislation of 1921 also gave effect to decisions reached at the Imperial War Conference of 1917 and the Imperial Conference of 1918. On both occasions approval was given to the principle of Empire Preference. Accordingly, the Safeguarding of Industries Act, 1921, imposed duties on many imports from countries other than Empire countries. There were also provisions for imposing a duty on foreign goods that were sold in Britain at less than the cost of production. Stanley Baldwin made his first appearance as a Cabinet Minister when on May 9 he introduced the Resolutions under this Bill. He had become President of the Board of Trade in the minor re-shuffle that followed Bonar Law's resignation.

Ireland was still in ferment at the outset of 1922. Although the Treaty was unanimously approved in the Dail at Dublin on January 14 and although all British forces were subsequently removed, De Valera and his supporters continued a campaign of direct action in support of their contention that the only right treatment for Ireland was that it should be united and wholly free of ties with Britain.

There was also disorder in Northern Ireland, but on March 30 agreement was reached that North and South should co-operate to the limit in an attempt to establish peace. Elections took place in the South in June and the new Parliament, headed by Mr. Cosgrave as President, began seriously to try to restore order. Before the year was out a constitution had been approved. Under its terms Tim Healy, for so long a leading Irish Member at Westminster, became Governor-General.

While unrest in Ireland continued, industrial disturbances in

Britain subsided. Unemployment figures, in excess of 2,000,000 at the beginning of the year, had by the end fallen to 1,400,000. Nevertheless, the Government introduced two measures in 1922, the first of which became law in April, which amalgamated existing rates of contributions and authorized increased borrowing to support the Unemployment Fund.

Interest in foreign affairs was focused first on Egypt which had become a British Protectorate in 1918, but which was proclaimed an Independent State in February. The declaration contained the reservations—about Britain's interest in maintaining communications, peace and the protection of the status of the Sudan—which for so many years after were to cause Anglo-Egyptian friction.

There was disillusion in the air. As the fourth year of peace proceeded the rifts of the Coalition Government grew wider and more apparent. The country was not recovering as had been hoped. Lloyd George's policies and the consequences of the Peace Treaty were increasingly denounced by the Unionists. The Prime Minister became so conscious of the worsening political atmosphere that in February he suggested that Austen Chamberlain might form a Government—to which he pledged his own support.

Then in June the Birthday Honours Lists brought a heavy load of criticism about the Prime Minister's shoulders. There were suggestions that money had been obtained for awards given to some of those included in the List, and there was abundant comment on the number of Lloyd George's supporters who featured in it. There had been considerable dissatisfaction with the Lists since before the war, but this time it was deemed wise to appoint a Royal Commission to investigate the whole position. Its report, which was not published until December 29, 1922, proposed that three Privy Councillors should assist the Prime Minister to select names for the Honours List and should, as well as possessing relevant details about proposed recipients, have an assurance that no payment had been made for any award.

But it was in March that an incident occurred which was to lead, before the year was out, to Lloyd George's departure from Downing Street. Edwin Montagu, Secretary of State for India, published a telegram from Lord Reading, the Viceroy, calling for the evacuation of Constantinople which, under the Treaty of Sèvres of 1920, had been put under international control. The immediate result was a political sensation that culminated with Montagu's resignation. The incident can only be fully appreciated against the background of Lloyd George's pro-Greek and anti-Turkish policies.

The Treaty of Sèvres was the peace treaty between the Allies and the Turks ; but it was never ratified by the Sultan. Venizelos, the Greek leader, had won the support of Lloyd George in consequence of which Greece gained control of Smyrna and Eastern Thrace. These were coastal areas of Anatolia, a territory that was predominately Turkish. Mustafa Kemal accordingly gathered together nationalist forces and established a rival capital to Constantinople at Angora, in the centre of Anatolia. Fighting developed between the Greeks and the Nationalists. The Allies, who had originally supported the terms accorded to Greece, became increasingly unsympathetic. Britain alone helped the Greeks, while the other powers were supplying Mustafa Kemal with weapons.

This was the position when Montague's telegram was published. By September the Turks had occupied Smyrna and driven the Greeks across the Dardanelles on to European soil. Lloyd George feared that Kemal might follow and take the war into the Balkans. Sir Charles Harington, Allied Commander-in-Chief at Constantinople, acted with caution and firmness, but the Prime Minister had meanwhile sought aid from Italy and France and from the principal Dominion countries. The Dominions were not at all eager, with the exception of New Zealand, to support a campaign in the Dardanelles. In the event they had no need to, because on October 11 an armistice was signed between the Greeks and the Nationalists. But publication of the Prime Minister's appeal to the Dominions to assist the Greeks—an action taken without reference to the Foreign Secretary, Lord Curzon—was to prove fatal to his position.

Bonar Law, who had been inactive politically since his retirement in 1921, was strongly opposed to Lloyd George's anti-Turkish attitude. He was incurably ill, but was concerned at the decline of traditional methods of Government ; at the almost dictatorial rule which Lloyd George had increasingly exercised over national affairs. Baldwin, whose thinking was similar, canvassed support for a move to bring down the Coalition. More than anyone else he persuaded Bonar Law that such a course was right.

It was now certain that whatever happened there would be an election, and on October 19 the now famous meeting of the Conservative Party took place at the Carlton Club. Austen Chamberlain, who remained intensely loyal to Lloyd George, urged the meeting to "maintain the closest, most cordial co-operation in the constituencies and throughout the fight, and after the fight, with

the men who have stood by us in difficult years. We think, we hope that every Unionist and Conservative, every Liberal-Coalitionist, should stand under his own party name and should retain his party loyalty unimpaired. . . . If the result of such co-operation gives to the two parties so co-operating the victory, a reconstruction of the Government as the result of the changes of the election will, of course, be necessary ; but I submit to you . . . that what the nature of the reconstruction is to be cannot and ought not to be determined until the result of the election is known."

Mr. Baldwin then put before the meeting "the views of the minority in the Cabinet—that is, of myself and Sir Arthur Boscawen. . . . The Prime Minister . . . is a dynamic force, and it is from that fact that our troubles, in our opinion, arise. A dynamic force is a very terrible thing ; it may crush you, but it is not necessarily right.

"It is owing to that dynamic force, and that remarkable personality, that the Liberal Party, to which he formerly belonged, has been smashed to pieces ; and it is my firm conviction that, in time, the same thing will happen to our party. I do not propose to elaborate in an assembly like this, the dangers and perils of that happening. We have already seen, during our association with him in the last four years, a section of the party hopelessly alienated. I think that if the present association is continued, and if this meeting agrees that it should be continued, you will see some more breaking up, and I believe that the process must go on inevitably until the old Conservative Party is smashed to atoms and lost in ruins."

Mr. Bonar Law said that if it were possible, and he was afraid it was not, he would say : "Let Mr. Chamberlain and those who think with him submit to the party the question : ' Shall we or shall we not continue the Coalition ? And let us abide by their decision.' If that is possible I would gladly adopt that. But if it is not possible, then what is the position ? If Mr. Chamberlain's view is carried . . . the feeling against the continuance of the Coalition is so strong that our party will be broken—that a new party will be formed ; and, not the worst of the evils of that is this, that on account of those who have gone, who are supposed to be more moderate men, what is left of the Conservative Party will become more reactionary ; and I for one say that though what you call the reactionary element in our party has always been there, and must always be there, if it is the sole element, our Party is absolutely lost."

A resolution was then carried by 187 votes to 87 declaring "That this meeting of Conservative Members of the House of Commons declares its opinion that the Conservative Party, whilst willing to co-operate with Coalition-Liberals, fights the election as an independent party, with its own leader and its own programme."

Lloyd George resigned immediately. So did Lord Birkenhead, Lord Balfour, Austen Chamberlain, Sir Robert Horne and Sir Laming Worthington-Evans. Bonar Law became Prime Minister, re-formed the Government, and in November went to the country. The Conservatives were returned with a majority of 70 over all other Parties. Labour, with 138 Members, became the official Opposition. The National Liberals dropped heavily from 131 to 55 and the Asquithian Liberals increased their strength from 33 to 60.

The full significance and drama of these events in the closing months of 1922 was to become apparent only with the years. They removed Lloyd George from office after nearly seventeen years of continuous service in a variety of Departments. Never again was he to sit in a Government. A split in the Liberal ranks was made overt and absolute and, like its erstwhile leader, the Party was no more to attain power. Like him, its influence was steadily to wane. Little more than twelve months later Asquith was to support Ramsay Macdonald and so enable the first Labour Government to take control of the nation's affairs. Before the first quarter of the twentieth century had passed a major political revolution was to hand.

CHAPTER SEVEN

Changing Empire

War Debts—General Election, 1923—First Labour Government, 1924—The Zinoviev Letter—Baldwin as Prime Minister—General Strike—The Liberal Breach—Dominion Autonomy

ON October 18, 1922, the day before the Carlton Club meeting, the Chancellor of the Exchequer, Sir Robert Horne, had been due to leave for Washington to discuss the repayment of Britain's war debt to America. Because of the political events at home the Chancellor did not go, and when Bonar Law became Prime Minister he appointed Baldwin to the Treasury and Horne went to the Board of Trade. Consequently it was Baldwin who went to Washington.

The general war debts situation was unsatisfactory. By May 1, 1921, Germany was to have paid, under the terms of the Versailles Treaty, some £1,000,000,000 in reparations to the Allies. The full and final figure of German's indebtedness was to be fixed before that date. In January, 1921, the Allies met at Paris and agreed that Germany should pay a total of £11,000,000,000 over forty-two years. Actual payments by May 1 were less than £300,000,000, and by the end of 1922 Germany was heavily in default.

Britain's war debt to America was around £1,000,000,000; a similar amount was owed to Britain by other allied countries. Lloyd George had in 1920 suggested reductions, or even cancellation, of all war debts. The Americans quickly rejected the proposal, and when in 1922 the British Government affirmed that it would ask no more from its allies than Britain was itself compelled to pay the Americans were highly indignant at what they regarded as an unfair attempt to persuade them to renounce their claims.

Arrangements were made for full Anglo-American discussion of the matter, and these talks were about to begin when the Coalition Government fell. Baldwin faced a difficult task; the settlement to which he finally agreed was reached against the wishes of the Cabinet. It meant that Britain had to repay America some £34,000,000 a year over a period of more than sixty years.

Baldwin arrived back from Washington on January 29, 1923; there followed some anxious debate between the Prime Minister and his leading colleagues. But no more happy solution could

be devised, and on January 31 the terms were approved. Two-and-a-half months later, on April 17, the Chancellor was to deliver his only Budget Speech, a speech that was to consolidate the now growing respect with which he was viewed by his Ministerial colleagues and the Conservative back benchers.

Meanwhile the French, dissatisfied with Germany's failure to maintain her reparation payments, had occupied the Ruhr; in consequence workers there struck and the value of the German mark, already greatly depreciated, continued to fall. Lloyd George was to arouse echoes of these facts later in the year, but not until Bonar Law had resigned owing to ill-health, on May 19, and been succeeded by Baldwin, rather than the Foreign Secretary, Curzon, whose membership of the House of Lords was a bar to his assumption of the Premiership.

In October the Imperial Economic Conference, the calling of which had been one of Bonar Law's first acts when he succeeded Lloyd George, met in London. Law died the same month. The Conference approved the extension of Imperial Preference, agreed to improve communications between Empire countries and to develop migration on the lines of the Empire Settlement Act passed in 1922. The appointment of an Imperial Economic Committee to implement policies approved by this and subsequent Conferences was also agreed. At this Conference the growing nationalism of the Dominions was more apparent than it had ever been. One instance of this was the agreement that any Dominion was entitled to negotiate a bilateral treaty, subject only to account being taken of the treaty's effects on other parts of the Empire, and the Empire as a whole.

Baldwin, who had felt a little uneasy ever since he had become Premier, was disquieted by the state of the Conservative Party, and had grown increasingly uneasy about the economic condition of the country. There were more than 1,000,000 unemployed. He believed that protection would help to ease the nation's economic troubles and mistakenly thought that Lloyd George would be in sympathy with the implementation of such a policy. The Imperial Conference had voted strongly for an extension of preferential tariffs. But there was one difficulty. Baldwin felt bound by Bonar Law's promise that fiscal policy would not be changed without a mandate from the electorate. To proceed on the course he desired must mean an early election.

At the annual Conservative Conference at Plymouth on October 26 he told the delegates :

"There is the question of the export from countries where the

currency has depreciated—a form of export from which we have suffered to some extent and are suffering even now. The whole problem is so new that it is difficult to see whence or how the attack on our markets may come. . . .

“The Board of Trade has been investigating certain distressed industries, and if the case is made out that on account of the grave unemployment and the nature of the competition to which they are subjected, special help is needed, I shall have no hesitation in asking my friend, the Chancellor of the Exchequer, to do what he can to safeguard those industries.

“Now, from what I have said I think you will realize that, to me at least, this unemployment problem is the most crucial problem of our country. I regard it as such. I can fight it. I am willing to fight it. I cannot fight it without weapons. I have for myself come to the conclusion that—owing to the conditions that exist to-day in the world, having regard to the economic environment, having regard to the situation of our country—if we go pottering along as we are, we shall have grave unemployment with us to the end of time. And I have come to the conclusion that the only way of fighting this subject is by protecting the home market.”

Then came a very significant remark:

“I am not a clever man. I know nothing of political tactics (Churchill once said of Baldwin that he was “the greatest political manager the Conservative Party ever had”), but I will say this: having come to that conclusion myself, I felt the only honest and right thing as leader of a democratic party was to tell them at the first opportunity I had, what I thought, and submit it to their judgments.”

The Press immediately began to speculate about a general election, but Ministers were divided as to the wisdom of an early appeal and for a fortnight there was constant discussion on the subject. In the meantime, Lloyd George had been in America, where he had aroused a new interest in Germany's war debt repayments. Within a fortnight of Baldwin's Plymouth speech he had arrived in England and spoken in support of free trade. On the very day that Baldwin informed the Commons that he intended to ask the King for a dissolution Lloyd George met Asquith, Sir John Simon and Sir Alfred Mond; they were able to agree a joint policy for a united Liberal front at the election. The Labour Party, in its election manifesto, was also for free trade.

The election took place on December 6. The Conservatives won 258 seats, losing 107 and gaining eight. The reunited Liberal Party increased the total Liberal representation from 119

to 158 and Labour increased from 144 to 191. Eight Independents were returned. It was in this election that Winston Churchill was defeated by Labour at West Leicester. For the last time he had fought as a free trade Liberal. In less than twelve months he was to be Conservative Chancellor of the Exchequer in another Baldwin administration—but at the time none was to foresee that eventuality.

The Government had a minority of members in the Commons and on December 18, at the National Liberal Club, Asquith delivered a speech which foreshadowed the immediate doom of the new Government. Asquith dismissed the idea that a Prime Minister commanding a minority in the House of Commons was entitled to ask the King for a dissolution. He emphasized that the Crown was not compelled to accept advice to dissolve Parliament “to put its subjects to the tumult and turmoil of a series of General Elections, so long as it can find other Ministers who are prepared to give it a trial.”

Of the Conservatives he said: “I will not move a finger to continue or to connive at the prolongation of their disastrous stewardship of our national and international interests.” His clearest hint at the political action that was so soon to follow was that “if a Labour Government is ever to be tried in this country, as it will be sooner or later, it could hardly be tried under safer conditions.” In little more than a month, on January 21, 1924, a Labour amendment to the Address was carried by 328 votes to 256. Only ten Liberals failed to vote against the Government. Baldwin at once resigned. Mr. Ramsay Macdonald formed the first Labour Government.

During what was to be a short first experience of power, the Labour Government quite naturally took special interest in social legislation. Unemployment was still the major domestic problem—there were 1,274,000 unemployed at the end of 1924. In February, April and August, respectively, three Acts were passed which in a variety of ways modified and developed the existing unemployment insurance legislation. One of the most important changes effected was that the grant of extended benefit to an unemployed person could be claimed as a right, instead of being dependent on the discretion of a Minister—though this power was restored by the Conservative Government in 1925.

The first Labour Budget introduced by Mr. Philip Snowden on April 29 was, of its very nature, a notable event. Its content has been well summarized by Sir Bernard Mallet and Mr. C. Oswald George (*British Budgets*, 3rd Series, 1921-33, Macmillan, p. 124):

"It created a record by its sweeping reductions in indirect taxation; it reduced the total indirect tax burden to the lowest level it was likely to reach for many years to come; and finally it marked a turning-point in British tariff history, for with the repeal of the McKenna duties, the automatic lapse of the depreciated currency duty, the reduction of the preference entailed by the reduced import duties, and the defeat of the Conservative preferential tariff resolutions, the British tariff was nearer the free traders' ideal than it had been for many years. Protection and imperial preference seemed to have lost nearly all the ground gained during the war and the post-war period, but the pendulum was soon to swing in the other direction."

The Finance Bill embodying the Budget proposals was finally given the Royal Assent on August 1, by which time the "understanding" between the Liberals and Socialists showed unmistakable signs of distress. There was no basic unity of ideology between the two parties; each was suspicious of the other, and the same was increasingly true of the reunited elements of the Liberal Party. As the year progressed Lloyd George became more and more active in the country, propounding Liberal policy and seeking to outline a way ahead. Baldwin, too, worked hard to unify and inspire the Conservative Party.

Ramsay MacDonald's main success lay in the foreign field. He was largely responsible for the London Reparations Conference at which Germany and her creditors accepted the plans prepared by the Inter Allied Dawes Committee appointed earlier to study Germany's ability to pay reparations. Concurrently, the French and Belgians agreed to quit the Ruhr, which they had occupied some eighteen months previously. MacDonald also, in company with the French Premier, M. Herriot, attended the Assembly of the League of Nations at Geneva following the rejection of a draft Treaty prepared by a League Committee designed to encourage states to reduce their armaments. Such reduction was to be accompanied by guarantees against aggression. MacDonald and Herriot inspired fresh thinking on the matter in consequence of which the Protocol for the Pacific Settlement of International Disputes was produced. It provided for the settlement of aggressive wars by the reference of international dispute to League arbitration, all League members being obliged to wage war on any member state that refused to go to arbitration. But by the time the League Assembly had approved the Protocol the Labour Government had fallen. Its Conservative successor rejected the Protocol.

MacDonald also accorded diplomatic recognition to the Russian Government, and from April until August an Anglo-Russian Conference was in session in London trying to conclude a treaty. As the Prime Minister had told the Commons in June that there was no question of extending a loan to Russia, Parliament and the country learned with amazement on August 6 that the agreed draft of the Treaty included provision for a Russian loan.

On the previous day, August 5, Campbell, Editor of the *Workers' Weekly*, was charged with inciting members of the forces to mutiny. The case was adjourned, and when Campbell appeared before the magistrate a week later the Treasury Counsel withdrew the charge. The *Workers' Weekly* triumphantly announced that this was due to pressure exerted on the Government by Labour members. On October 8 the matter was debated in the House of Commons.

The Conservatives had tabled a motion of censure on the Government; the Liberals put down an amendment calling for a Select Committee to investigate the case. The Conservatives voted in support of the amendment, so helping to defeat the Government by 364 votes to 198. The first Labour Government was at an end. MacDonald asked the King for a dissolution, to which His Majesty had reluctantly to agree. It would entail the second general election within the year and the King believed the country was tired of elections. Polling day was fixed for October 29.

Free trade was not this time a major issue. It did not figure in the Labour programme and the Liberals dismissed it in a few lines. Baldwin made it clear that the Conservatives would stand by the agreements made with the Dominions in 1923, but it was the Zinoviev Letter—the famous “Red Letter”—that in the last few days of the campaign became the real talking point of the election.

The letter, which was supposed to have been addressed by Zinoviev, head of the Third International in Moscow, to the British Communist Party, urged them to develop subversive activities aimed at overthrowing the British Government. A copy of the letter reached the Foreign Office, where its authenticity was accepted, and a protest was made to the Russian Ambassador in London. Then the *Daily Mail* published what was claimed to be a version of the same letter. There can be no doubt that the Red Letter inspired many moderate voters to withhold their votes from Labour, and even from the Liberals, and vote Conservative; yet how authentic it really was remains a matter for argument. If there were any doubts about the outcome of the election the Letter resolved them. The Conservatives won 415 seats, Labour 152 and the Liberals only 42. Numbered among the Conservatives, though

standing officially as "a Constitutionalist," was Winston Churchill, returned for West Essex, and among the defeated candidates was Asquith who lost at Paisley but was given an Earldom.

Ramsay MacDonald resigned on November 4 and Baldwin proceeded to form a new Government. He appointed Churchill to the Treasury and Curzon had to make way at the Foreign Office for Austen Chamberlain. He, with Lord Birkenhead, who became Secretary of State for India, thus returned to the Party fold from which, because of their loyalty to Lloyd George, they had latterly been isolated.

Many Liberals blamed the Party's poor showing on the fact that Lloyd George, who had control of substantial funds, had refused to disperse them with sufficient generosity; as a result only about 300, instead of 500, candidates contested the election.

One of Baldwin's first acts on his return to Downing Street was to establish an Imperial Economic Committee. A million pounds a year was made available to this Committee, whose members included not only representatives of the appropriate Whitehall Departments, but also representatives from the Dominions. One of their main duties was to consider ways and means of improving the sale of Empire foods in Britain in preference to the products of other countries. This action was supported by the passing of another Safeguarding of Industries (Customs Duties) Act which became law just before the close of 1925.

This aspect of the Government's policy drew strong and constant criticism from Liberal and Labour Members, but there was another side to Baldwin's legislative programme of which they warmly approved. This was the provision for contributory pensions for widows and orphans of men insured under the National Health Insurance Scheme. The Government's intention was announced by Winston Churchill in his Budget speech. Further legislation was introduced to amend the existing Unemployment Insurance Acts and simplification of the rating system was introduced under the terms of the Rating and Valuation Act.

Lloyd George in particular was very critical of the Government decision to return to the Gold Standard—a move urged on the Chancellor by the Bank of England, but denounced by John Maynard Keynes, the economist—and the consequences of so doing were soon to become apparent. A high rate of unemployment continued, taxation remained high and the mining industry in particular showed increasing signs of imminent crisis. The owners decided to give a month's notice to end the existing wage agreement. Production, they claimed, was not in proportion to

the high wages being paid. On July 1, 1925, the new terms proposed by the owners were published, but the miners rejected them. A Government tribunal investigated the position, but in its report virtually threw the ball back to the Government.

A miners' strike was expected and there was a threat of sympathetic strike action by the railwaymen. The Cabinet met hurriedly on the evening of July 31. The country was faced with the possibility of a general strike. Baldwin subsequently met the miners' leaders and asked them to join a further inquiry into the position; meanwhile their existing wage would continue to be paid. The State would pay the difference between that wage and the reduced figure offered by the owners. These terms were accepted. An initial subsidy of £10,000,000 and ultimately a further £14,000,000 had to be obtained.

The result of this decision was seriously to upset the calculations on which the Budget had been based, but it "bought time" for the Government to prepare against the day when a general strike might yet break out. Under the Chairmanship of Sir Herbert Samuel, who had returned from Palestine, a Royal Commission was appointed to report on the position of the coal industry. But Baldwin made the Government's attitude clear in the House of Commons on August 6, when he asked Parliament to grant the subsidy for the miners. He declared: (Hansard, 5th Series, Vol. 187, p. 1592) "If the time should come when the community has to protect itself, with the full strength of the Government behind it, the community will do so, and the response of the community will astonish the forces of anarchy throughout the world." Lloyd George, however, was critical of the Government's action, which, he considered, was a yielding to intimidation.

In the foreign field the main question to be resolved in 1925 was the evacuation of part of the Rhineland under the terms of the Versailles Treaty. Another important issue was the question of Germany's admission to membership of the League of Nations. It was not until the Locarno Conference met in October that these problems were settled.

For the future Britain and Italy agreed to guarantee German's western frontier; France agreed to guarantee the eastern frontier with Poland and Czecho-Slovakia. These guarantees were made in respect of the promise by the five countries whose frontiers were affected—France, Germany, Poland, Belgium and Czechoslovakia—that they would respect each other's territories. It was not realized at the time that in little more than ten years hence the Treaties would be highly relevant to the actions of Adolf Hitler.

As for the admission of Germany to the League of Nations, this proved a more difficult problem to settle, but a method of doing so was eventually found and in 1926, despite Germany's failure to honour her international obligations, Germany was admitted.

Before the close of 1925 one thoroughly satisfactory development took place—the conclusion of an agreement between the British Government, Ulster and the Irish Free State as to the definition of the frontier between the Free State and Ulster. There was still to be some repetition of “the troubles,” but this was one immediate item of dispute removed and the welcome period of peace that had already settled on both North and South was to continue for several more years.

1926 was the year of the General Strike. Baldwin, according to his biographer, G. M. Young, was expecting it. Young writes (*Stanley Baldwin*, Rupert Hart-Davis, p. 110):

“Since he first took office—perhaps before taking office—Baldwin had been convinced that sooner or later the Trade Unions would have recourse to the General Strike, and . . . one of his first actions as Prime Minister was to recall into being the Supply and Transport Committee which had run down after 1921. Some of the Ministers in the Labour Government of 1923 knew of its existence, but looked the other way. By 1926 its arrangements were complete and Baldwin sat quietly waiting on events.”

The Report of the Samuel Commission came on March 10. It recommended a reduction of the miners' wages, opposed nationalization of the mines, but favoured the buying out by the State of the owners' royalty rights. Greater unification in the industry was also proposed, and the Commission insisted that there should be no further subsidizing of wages after the present agreement to do so ended on April 30.

The slogan of the miners was “Not a minute on the day, not a penny off the pay.” Baldwin met the representatives of the miners and owners, but their discussions led nowhere. The T.U.C. intervened, also to no effect. On April 30 a State of Emergency was proclaimed and the preparations made long before were implemented. On May 3 the strike began.

The arrangements made by the Government worked well. There was far less disruption of the national life than most people had anticipated. Then on May 6 Sir John Simon declared in the House of Commons that the strike was illegal under the terms of the Trade Disputes Act of 1906. Those who participated in it, he claimed, were liable for damages. Sir John's contention received support from the Courts two days later, when Mr. Justice

Astbury had to consider an application from the Sailors' and Firemen's Union, which had not struck, for an injunction against its branch officers who had gone on strike. In his judgment Astbury declared the whole strike illegal. The speech and the judgment had an immediate effect. On May 12 the strike was called off, though the railwaymen stayed out until the 14. Not until December, however, were all negotiations with the miners completed and work resumed in all coalfields.

Baldwin received congratulations from the King and the Cabinet for the manner in which he had handled the strike. Lloyd George had remained critical of the Government's handling of the matter, but there could be no doubt that the Prime Minister, not least by his strike broadcasts to the nation, had managed things well. A resumption of work had been obtained without any promises being made, but two measures were enacted as a result of the strike. The Coal Mines Act, which was to remain in force for five years, allowed eight hours' work underground on every working day. The Mining Industry Act brought into effect some of the Samuel Commission's proposals. It covered the provision of welfare facilities and allowed for voluntary and compulsory amalgamations.

One other piece of legislation passed during 1926 emphasized the growing interest of the State in the country's supply industries. The Electricity (Supply) Act created the Central Electricity Board with powers to borrow up to £70,000,000. Its principal duties were to build up the grid system throughout the country, to standardize frequencies and to buy electricity and then distribute it over the country.

One particularly unfortunate consequence of the strike was that it drove up the unemployment figures just as they had begun to drop. At the end of April, before the strike began, there were 981,877 registered unemployed—fewer than there had been for years. But the numbers leapt to 1,650,000 and still stood at 1,357,000 at the end of the year. Legislation in 1925 had reduced the contribution made by industry towards unemployment relief. The Economy Act of 1926 also reduced the contribution from the Exchequer. In consequence the Unemployment Fund had to be supported by borrowing and was in debt at the close of 1926 to the extent of £22,640,000.

An important political event of 1926 which developed substantially outside Parliament was the rapid growth of the breach within the Liberal Party. The disgruntlement felt by many Liberals at Lloyd George's failure to give more from the Fund he controlled towards the expenses of candidates in the 1924

election was matched by other Liberals—Lord Grey pre-eminent among them—who thought it utterly wrong that such a fund controlled by a single individual should exist at all.

In addition to such matters there also developed after the conclusion of the strike an inter-Party dispute about Lloyd George's comments on the strike, which had been published in an American paper. Lord Oxford openly accused the writer of disloyalty to the Party, an action that led inevitably to further charges and counter-charges. Liberals increasingly took sides, but Lloyd George always loved a fight. He entered into this one with gusto and stoutly defended his control over, and method of utilizing, the Fund. Ironically, in a sense, ill-health compelled Asquith to resign the Party leadership in October and Lloyd George was the only and obvious successor. By the end of 1926 substantial sums had been transferred from the Fund to the Party coffers, but an attempt to launch a Million Fund was destroyed by dissention between the Party leaders, some of whom would not treat with Lloyd George at all, while others were quite ready to do so. In December a meeting was held at Grey's London home to found the Liberal Council, an Organization that was to enable Liberals wishing to maintain the independence of the Party to remain within it for the furtherance of Liberalism. Among those present were Gilbert Murray, Walter Runciman, Donald Maclean and Lady Violet Bonham-Carter, the daughter of Asquith, who was ever after to remain ill-disposed towards the Lloyd George element in the Party. The attempt to unite the Lloyd George and Asquithian Liberals made in 1923 had failed.

Nineteen twenty-six was also the year of the most important of all the Imperial Conferences yet held. The movement in the Dominions towards absolute autonomy and independence of action, so noticeable a feature of the 1923 Conference, was carried further in 1926. A Committee on Inter-Imperial Relations was appointed, and its report was to become one of the historical documents for students of Empire development. It provided the basis on which the Statute of Westminster of 1931 was to be drawn and contained a notable definition of the Empire's self-governing communities—Great Britain and the Dominions—as: "Autonomous communities within the British Empire, equal in status, in no way subordinate to one another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations." The Report, embodying this definition, was adopted by the Conference on November 19.

CHAPTER EIGHT

Unemployment

Trade Disputes Act—Prayer Book Revision—Extension of Franchise—Kellogg Pact—Liberal “Yellow Book”—Local Government Act, 1929—Second Labour Government—National Government

BY far the most important legislation introduced by the Government in 1927 was the Trades Disputes and Trade Unions Bill. This Bill, which became law in July, was the Government's answer to the Unions who had taken part in the General Strike. It made general and sympathetic strikes illegal, though it preserved the right to strike over direct grievances ; intimidation, which could include the more extreme forms of picketing, was also to be illegal ; union members had to contract in, not out, if they wished to pay, with their union subscription, the political levy which the Trade Union Act of 1913 had legalized. The new Bill also established that Civil Service Unions must keep clear of politics, in consequence of which seven Civil Service Unions disaffiliated themselves from the T.U.C.

Baldwin was not enthusiastic about the measure. Had he followed his own conscience it would never have been brought forward. But the rank and file of the Party were anxious to curb the power of organized Labour in the country and, as if the General Strike had exhausted him, Baldwin made no effort to impose his own ideas on his followers, or to prevent them from pursuing theirs. He became from 1927 to 1939 “little more than an amiable observer of events, at home and abroad, which, even if he had the power, he had no will to direct or control” (*Stanley Baldwin*, by G. M. Young, Rupert Hart-Davis, p. 134).

Apart from pleasing the Conservative back-benchers, the Trades Disputes Act consolidated the Labour forces in and out of Parliament, and even brought Lloyd George and Lord Grey on to the same platform to speak against it. Lloyd George approved of the principles on which the Bill was based, but thought its introduction would harm the relations between labour and capital at a time when they needed urgently to be reconciled.

Extraordinarily enough, a Parliamentary battle fought over the measure to revise the Book of Common Prayer, introduced at the

instance of the Church Assembly, aroused more public controversy than the Trades Disputes Bill. It passed the Lords by a substantial majority, but the Commons rejected it. Opponents of the measure condemned what they regarded as its "Roman" characteristics. In an amended version it was to be presented to Parliament again in 1928, when it failed by an even larger majority to pass the Commons.

One other important enactment was the implementation of the National Insurance Act, which became law on December 22. It embodied many of the recommendations of the Blanesburgh Committee set up in 1925 to consider what changes, if any, should be made in the Unemployment Insurance Scheme. The most important proposal—which the Government adopted—was that a scheme compulsory "and covering at least the persons at present covered by the State scheme, should be a permanent feature of our code of social legislation." For the first time young people from eighteen to twenty-one years of age became eligible to contribute and draw benefit, and various other changes were made to the existing regulations and practices.

A reminder of the altered relationship between Great Britain and Southern Ireland came with the passing of the Royal and Parliamentary Titles Bill which provided that Parliament should henceforth be known as the Parliament of the United Kingdom of Great Britain and Northern Ireland, instead of the Parliament of the United Kingdom of Great Britain and Ireland. The King was empowered to alter the style and titles appertaining to the Crown by Proclamation under the Great Seal, to enable the King's titles to reflect the changed relationship acknowledged by the new description of the Parliament at Westminster.

In his third Budget, which he introduced on April 11, Churchill had to meet a deficit of £30,000,000, and the manner in which he handled the situation drew praise from all parts of the House. The Chancellor outlined further tariff duties, though a month later the World Economic Conference at Geneva was to declare that "the time has come to put an end to the increase in tariffs and to move in the opposite direction."

This was a year in which high hopes and good intentions at international conferences were not all to be realized. At the Geneva Naval Conference Britain held out against America and Japan—France and Italy had refused to participate—for an extra number of light cruisers which, it was claimed, were necessary to guard the widespread interests of the British Empire. The conference, called to limit still further the categories of warships

other than capital ships limited by the Washington Conference of 1921-22, ended without agreement.

In November the fourth session of the Preparatory Commission set up by the Council of the League of Nations Council in 1925 to prepare for a Disarmament Conference, was startled by a suggestion from Litvinoff. It was the first time that Russia had been represented on the Commission, but Litvinoff's proposal that all the States should forthwith agree to general disarmament was unanimously rejected.

In November too—on the 8th—Baldwin informed the Commons that it was intended to appoint a Royal Commission to study the working of the India Reform Act of 1919. That Act had stipulated that a Commission would be appointed at the end of ten years, but continuing agitation in British India encouraged the Government to advance the date. The necessary legislation was passed through Parliament and Sir John Simon was chosen to head the Commission.

The year ended with the number of unemployed still well in excess of the million mark, though the general standard of living was higher than it had ever been. Nevertheless, the demand for goods was beginning to fall off for reasons well summarized by Robert M. Rayner (*The Twenty Years' Truce, 1919-39*, Longman, pp. 133-4):

“Improvements in power-driven machinery led to greatly increased powers of production, with great economy in skilled labour.

“Rationalization caused unemployment, which diminished production purchasing power.

“The Allies' demand for reparation from Germany, and America's demand for debts from Europe, coupled in each case with a refusal to take payment in goods, led to the silting up of bullion in the Bank of France and in the Federal Reserve Bank of New York, which meant the withdrawal of vast amounts of gold from its normal function of backing business credits.

“Economic nationalism in the form of tariffs hindered the exchange of goods, producing glut in some countries and starvation in others.”

Because Government anticipation of improved trade in 1928 did not materialize before the year was out Parliament was asked to increase the Government's borrowing powers on behalf of the Unemployment Fund from £30,000,000 to £40,000,000. Meanwhile, the age limit for employment insurance was reduced to sixty-five and the provisions of the 1927 Act for the payment of new and changed rates of benefit came into force.

The Budget, introduced on April 24, 1928, did not significantly reflect Government anxiety about the unemployment situation. Apart from new duties on imported oils and petrol and mechanical lighters, there was little in the fiscal policy outlined by the Chancellor to indicate concern for the state of the nation's industry. The most important feature of the Budget Speech was the intimations it contained of the Rating and Valuation Bill that was later to be passed. This measure simplified the whole rating system, relieved factories of 75 per cent. of their rates and derated agricultural land and buildings altogether. Further help to agriculture was given in the form of long-term credits to be provided by a corporation set up under the terms of the Agricultural Credits Act.

The most interesting Act of the year, politically, was the Representation of the People (Equal Franchise) Act which gave women rights precisely similar to those of men in national and local elections. It enfranchised a further 7,000,000 women, bringing the female electorate to more than 15,000,000 compared with a total male franchise in excess of 13,500,000.

In international affairs the signing of the Kellogg Pact in Paris on August 27 was the outstanding event. Signed initially by some dozen of the leading nations of the world, excluding Russia, it was finally signed by a total of sixty-three countries. The Pact's two brief clauses pledged the signatories to outlaw recourse to war for the settlement of international disputes; to renounce war as an instrument of policy; and to seek the settlement of any disputes that might arise among them by pacific means.

An event of profound and long-term political importance was the appearance under Liberal auspices of the "Yellow Book," properly entitled "Britain's Industrial Future." It was produced by a group of the Party's leading members, including several economists who, under the chairmanship of Walter Layton (later Lord Layton), drew up a blueprint of the way in which they thought British industry and the country's general economic policy could and should be developed.

The timing of publication was not casually fortuitous. Baldwin's Government had barely a year of political life left, so the "Yellow Book" provided for the Liberal Party a detailed and highly topical policy with which to prepare for the coming election. Lloyd George had been working actively during most of 1928 to denigrate the Government whenever possible, to support Liberals at by-elections and in general to anticipate the impending contest.

Though the Liberal Party was never to enjoy the opportunity of implementing the proposals of the "Yellow Book," much of

its content was ultimately to be absorbed and applied by other Parties in office.

Lloyd George's election campaign was not, however, to rest only on the "Yellow Book." In March, 1929, appeared "We Can Conquer Unemployment," a title that was to be the Liberal slogan throughout the election. There were still well over 1,000,000 unemployed, and it was Lloyd George's contention that if the Liberals were returned to power they could speedily reduce the total to reasonable proportions without any increase of taxation.

"We Can Conquer Unemployment" proposed the large-scale launching of public works—road building, housing, drainage, afforestation schemes and similar projects. The money was to be raised from the higher yield of the motor tax, by diverting to home schemes a similar amount of capital to that which in 1928 had been invested abroad; by saving money on the amount of unemployment insurance paid out and by raising a loan secured on the increasing income of the Road Fund.

Labour politicians quickly asserted that the Liberals had merely stolen their ideas. The Conservatives not only ridiculed the proposals, but also the prospects of Liberals being returned in sufficient numbers to have the chance of putting them into effect. But from Keynes and a variety of business and financial experts came an imposing measure of approval.

Before the election, which took place on May 30, Winston Churchill presented his fifth, and last, Budget. It was nicknamed the "Prosperity Budget." The Chancellor showed a surplus of nearly £12,000,000 and gave the nation the benefit of three-quarters of this amount by reducing the duty on tea, lowering railway fares, cutting the cost of licences for motor-cycles and goods vehicles. Derating relief for farmers was anticipated by six months at a cost of some £2,500,000, and the unpopular betting tax, which he had introduced in 1926 to raise money, was dropped.

One outstanding piece of legislation was to be passed before the dissolution took place on May 10—the Local Government Act. Not only did it introduce the most important changes in local administration since the turn of the century; it also implemented many of the proposals contained in the majority and minority reports of the famous Poor Law Commission of 1909.

The Act reduced the number of local authorities and concentrated their duties in the County Councils; the County Councils became responsible for the maintenance of rural roads and "classified" roads in urban areas; agricultural land and buildings—farm-houses excepted—were not subject to local rates; nor were

certain industrial properties ; the administration of public assistance passed from the smaller authorities to the control of either county or county borough councils. The outstanding feature of the Act was the provision of " bloc " grants by the Exchequer, the purpose being to assist areas where rate and other income was low. Under the existing system of Exchequer grants the tendency was for districts which already had strong resources to obtain the largest grants from the Exchequer.

The Act, important and far-reaching though it was, had no bearing on the election. The Liberal programme had already been outlined ; the Labour Party was no less radical. Its manifesto contained pledges to nationalize the mines and minerals ; to develop housing, slum clearance, land reclamation, afforestation and electrification. The taxation of land values was proposed, pension improvements, the raising of the school-leaving age to fifteen, and the development of opportunities for free secondary education. Factory legislation was to be changed, and there were to be modifications of the insurance scheme and the Workmen's Compensation Act.

The Conservative policy was summed up in the two words that appeared with a picture of Baldwin on posters all over the country—" Safety First." They were fighting on their record against the " dangers " that would beset the country if either of the other Parties was successful.

Baldwin certainly and most Conservatives confidently expected success. They counted on strong support from " the flapper vote "—from the millions of young women who, because of the Equal Franchise Act of the previous year, would be polling for the first time and who would, it was thought, express their gratitude by voting for the Conservative Government.

Labour won with 287 seats against the Conservatives' 260. The Liberals, who fought in more than 500 constituencies, won only 59 seats despite the strenuous propaganda, preparations and considerable expenditure which Lloyd George had on this occasion sponsored from his fund. The results were disappointing for all three Parties. MacDonald would have to depend on Liberal support for the maintenance of his administration ; the Conservatives had a leader who had twice led them to defeat within ten years ; for the Liberals the result seemed to pronounce an end to all hopes of future power.

The Baldwin Ministry resigned on June 4 and the second Labour Government took office on June 8 under MacDonald's Premiership. For all Parties a period of uneasiness was to develop.

Among the Conservatives there was growing dissatisfaction with Baldwin. He was under constant attack in the Beaverbrook and Rothermere Press for what their Lordships regarded as vacillation on an Empire Free Trade Policy. Churchill and others were critical of his views on India which favoured its development towards Dominion status. Then in October the *Daily Mail* announced that Baldwin had pledged the Conservative Party to support the grant of Dominion status, following which action the Party's Shadow Cabinet instructed Baldwin to get in touch with the Prime Minister and withdraw any such support.

There was no truth in the story, but it brought Baldwin to the House of Commons on October 31 to deliver a stinging attack on the *Daily Mail*; to speak in broad terms, but with well-chosen words, of the duties that devolved on politicians. G. M. Young comments on the speech, and Baldwin's behaviour and status in the party at this time (*Stanley Baldwin*, Rupert Hart-Davis, pp. 148 and 149):

"When he spoke Baldwin was well aware that his tenure of power was precarious; that his hold on his party was relaxing; that his followers in the House and their agents in the country were losing faith in a leadership which seemed to do anything but lead; looking to Churchill, looking to Chamberlain; afraid of Beaverbrook, afraid of Rothermere; spinning combinations, alliances, understandings; anything to put into the party life enough to wear down the Government and build up the picture of itself as the better alternative. And, with Baldwin as leader, it could not be done. He would not decide. He could orate on the unity of the Empire. But when it came to taxes on food and whether the electorate should be asked to decide at the election or after the election—programme or referendum—Baldwin could not, would not, make up his mind."

Meanwhile the Wall Street crash had come in October. The repercussions were quickly and widely felt. Lloyd George consistently sought to uphold the Labour Government because he believed that it would be more likely to respect Liberal aspirations than the Conservatives, but, like Baldwin, he was having trouble with his own Party and at the beginning of 1930 Lord Grey, and the Liberal Council he had been instrumental in forming, withdrew support from him.

Labour hopes and promises of tackling unemployment grew ever more unlikely of fulfilment. When Philip Snowden introduced his Budget on April 14 the unemployed total had risen above 1,500,000. Because of the country's general financial

condition it was thought impossible for the Government to launch the social reforms which it had foreshadowed. This, and the absence of penal taxation of "the idle rich" in the Budget, bolstered the growing resentment and disappointment of Labour Members who had welcomed a return to power as an opportunity to impose a radical programme of change and improvement.

Instead of a surplus for which Mr. Churchill had budgeted the previous year, Snowden faced a deficit of £14,523,000. Because of the depression he had to anticipate reduced revenue from taxation and higher expenditure on unemployment relief. He estimated that he would have to meet a total deficit of £42,264,000. The main features of his budget were an increase of sixpence on the standard rate of income tax which was then four shillings; surtax was increased on incomes of more than £2,000 a year; death duty was raised on estates of more than £120,000; a penny a gallon was put on the beer duty. Only two shillings in the pound was to be payable in tax on incomes less than £250 a year; duties on certain types of motor-cycles and goods vehicles were reduced; a Bill to implement the taxation of land values was announced.

What surprised and dismayed many Liberal and Labour Members was the absence of any measure for departmental economies, and the Chancellor's failure to dispense with certain duties imposed by the Conservatives.

Within weeks of the Budget the Prime Minister had agreed to set up a Committee to inquire into the unemployment problem. It was to be an all-Party Committee. Baldwin refused to co-operate, but Lloyd George agreed. In October, as a result of the investigation, the Liberals produced "How to Tackle Unemployment." Substantially it was "We Can Conquer Unemployment" brought up to date.

Before the summer recess the Simon Commission on India had reported to Parliament and Members were left to study what was virtually a recommendation for a federation of British India with the Indian States (those ruled by the Princes). What was to be the first of three Round Table Conferences met in London on November 12 to consider how the Commission's proposals for Indian self-government could be carried into effect. Gandhi was not there to represent the Congress Party, though he was to be present at the subsequent conferences.

By the time the conference concluded on January 19 Churchill had made plain in Parliament his opposition to granting control of their own affairs to the Indians. There were a number of

Conservatives whose attitude was similar, but Baldwin was sympathetically disposed towards the Commission's proposals and welcomed consideration of them no less than MacDonald. It was over the Indian question that Churchill was to break with Baldwin and become for nearly ten years a solitary fighter and critic of the Government of the day. But before the speech that signalled his departure from the Party ranks, Churchill was to deliver another that put him permanently out of favour with MacDonald.

For months lack of sympathy between MacDonald and some of his trade union colleagues had been growing. The introduction of a Bill to amend the Trade Disputes Act of 1927—in particular the necessity to contract in, rather than out, to pay the political levy—was a concession to trade union pressure, rather than the fulfilment of principles about which the Prime Minister felt deeply.

All this Churchill knew, and when the Bill was under discussion in the Commons on January 22, 1931, he taunted the Prime Minister with the suggestion that he did not really wish the Bill to succeed. "What is the Prime Minister going to do?" Churchill asked. "I spoke the other day, after he had been defeated in an important division, about his wonderful skill in falling without hurting himself. He falls, but he comes up again smiling, a little dishevelled, but still smiling. But this is a juncture, a situation, which will try to the utmost the peculiar arts in which he excels. I remember when I was a child, being taken to the celebrated Barnum's Circus, which contained an exhibition of freaks and monstrosities, but the exhibit on the programme which I most desired to see was the one described as the 'Boneless Wonder.' My parents judged that spectacle would be too revolting and demoralizing for my youthful eyes, and I have waited fifty years to see the Boneless Wonder sitting on the Treasury Bench." It was understandable that when he later formed a "National Government" MacDonald did not offer Churchill a place in it.

Four days later, on January 26, when the House was debating India, Churchill followed Baldwin's approval of the Government's intention to work for a settlement of the Indian problem with a clear denunciation of such a policy. By the end of January he was unconnected with any Party Committee.

Though he never regained Churchill's support, Baldwin won back much of the support lost in his own Party. Lords Rothermere and Beaverbrook were still attacking the Conservative leader, the former accusing him of willingness to give away India and the latter deploring his lack of interest in Empire Free Trade,

when a by-election occurred in the St. George's Division of Westminster. Beaverbrook sponsored an Empire Free Trade candidate in opposition to the official candidate, Duff Cooper. It proved a hard and merciless fight, during which Baldwin produced in a speech at the Queen's Hall one of his most telling thrusts against the two Press Lords. "What the proprietorship of these papers is aiming at is power, and power without responsibility, the prerogative of the harlot through the ages." Duff Cooper was returned with a comfortable majority—so achieving a victory not only for himself, but a measure of vindication for Baldwin's policies and position.

But these were political pizzicatos compared with the undertones of impending crisis. At the turn of the year there were more than 2,000,000 unemployed; unemployment insurance was costing £110,000,000 of which £80,000,000 was provided by the State in direct subvention or out of borrowed money. In January the Chancellor of the Exchequer had authorized Sir Richard Hopkins, Controller of Finance and Supply Services in the Treasury, to present to the Royal Commission on Unemployment Insurance a memorandum which declared: "Continued State borrowing on the present vast scale without adequate provision for repayment by the Fund would quickly call in question the stability of the British financial system. . . . Apart from the impairment of Government credit which such operations inevitably involve, these vast Treasury loans are coming to represent, in effect, State obligations at the expense of the future, and this is the ordinary and well-recognized sign of an unbalanced Budget."

Experts, Sir William Beveridge among them, stated that the system of unemployment benefit had become neither insurance nor a spreading of wages, but out-relief financed mainly by a tax on employment. Meanwhile unemployment figures continued to rise, and before Mr. Snowden introduced his Budget on April 27 the Government was borrowing some £1,000,000 a week to meet the demands for relief.

On February 11 Sir Donald Maclean, one of the leading Liberal Members, persuaded the Commons to accept his amendment to a Conservative motion of censure that a committee be appointed to consider what practicable economies could be made. (The committee they appointed had become known as "the May Committee" after its Chairman, Sir George May.)

The following day Sir Herbert Samuel's motion calling on the Government to implement the plans prepared by the Liberal-Labour Committee for dealing with the unemployment problem

was carried without a division. But nothing was to be done, and when Snowden's Budget had been delivered it was treated with derision for its failure to face up to the disagreeable facts of the time.

The Chancellor was confronted with a deficit of more than £23,000,000, yet he budgeted for a surplus of £134,000. Increased expenditure was estimated at £14,000,000 and declining revenue, particularly from stamp duties and income tax would, he thought, cause a total deficit of £37,000,000. An extra £7,500,000 was expected by an increase from fourpence to sixpence a gallon on petrol. From the Dollar Exchange Fund a sum of £20,000,000 was appropriated and by arranging that three-quarters, instead of half, the income tax should be paid in the following January he planned to obtain another £10,000,000.

Events on the Continent had meantime underlined the imminence of an international financial crisis. In May one of the leading Austrian banks failed. Creditors rushed to withdraw their investments from other Austrian and German banks. France and Britain were asked for help, but gave none. This set creditors in doubt as to their stability, and so began a run on the Bank of England. Anxiety was increased when, on July 14, the Committee on Finance and Industry, appointed in November, 1929, under the Chairmanship of Lord Macmillan, reported that the net short-term liabilities of London on foreign account at the end of March, 1931, were £254,000,000. In June, at the special request of the Government, the Unemployment Insurance Commission had issued an interim report which showed that more than two-and-a-half times as much was being drawn in unemployment relief as was being paid in contributions by employers and workers. The Report proposed substantial amendments and alterations to the existing system, and this brought from a section of the Labour Party the strongest criticism.

By July 30 the gold reserves of the Bank of England had fallen to £132,000,000. The following day the May Committee Report caused real alarm and despondency at Westminster. It forecast a deficit in the next Budget of no less than £120,000,000, and claimed that this could only be met by drastic economies exceeding £96,500,000, of which rather more than two-thirds were to come from Unemployment Insurance alone. The Report was all that was needed to complete foreign fears about the economic stability of Britain.

A Cabinet Committee composed of the Prime Minister, the Chancellor of the Exchequer, J. H. Thomas, Arthur Henderson

and William Graham was appointed to consider the Report. On August 19 the Cabinet spent all day considering this Committee's views, but failed to agree on the original recommendation of the May Committee that unemployment benefit should be cut by a fifth. On the 20th MacDonald saw Baldwin and Neville Chamberlain, who insisted on a reduction of benefit. Sir Herbert Samuel and Sir Donald Maclean, on behalf of the Liberals, also favoured the reduction.

The T.U.C. was opposed to any reduction, but was eventually persuaded to agree to one of ten per cent. This was put to the Cabinet, but only Snowden and J. H. Thomas would agree to it. Then came an urgent request for help from the Bank of England. Representations were made to Paris and New York. On the 23rd two offers of £50,000,000 were made conditional upon the Government accepting the May Committee's proposals for economies and a ten per cent. reduction in unemployment benefit. The crisis had been reached. There was nothing for MacDonald to do but see the King, who travelled to London from Balmoral on August 22. On the following day, a Sunday, he saw the Prime Minister, Sir Herbert Samuel and Mr. Baldwin. Later that night there was a Cabinet followed by a meeting of the Party leaders.

The King accepted the resignations of the Labour Government the next day and MacDonald was asked to form a National Government. A Downing Street statement announced: "The specific object for which the new Government is being formed is to deal with the national emergency that now exists. It will not be a Coalition Government in the usual sense of the term, but a Government of co-operation for this one purpose. When that purpose is achieved the political parties will resume their respective positions."

The new Cabinet announced on August 25 was: Prime Minister, Ramsay MacDonald; Lord Chancellor, Lord Sankey; Chancellor of the Exchequer, Philip Snowden; Home Secretary, Sir Herbert Samuel; Foreign Secretary, the Marquess of Reading; Dominions Secretary, J. H. Thomas; Lord President of the Council, Stanley Baldwin; Minister of Health, Neville Chamberlain; Secretary for India, Sir Samuel Hoare; President of the Board of Trade, Sir Philip Cunliffe-Lister. It was to be a short-lived administration. The nature of its end and the Government that was to succeed it were to create more furrows of party and personal ill-will in British political life.

CHAPTER NINE

Collective Insecurity

Off the Gold Standard—Fall of National Government—
Manchuria—Disarmament Conference—Ottawa Agreements—
Attempts at Reconstruction—Abyssinia—Germany's Growing
Strength—Peace Ballot—Hoare-Laval Pact—Eden as Foreign
Secretary

THE new Government met Parliament on September 8. Two days later Mr. Snowden presented the second Budget of the year. With his revised estimates for the financial year 1931-32 he envisaged expenditure of £818,879,000 and revenue of £744,200,000. If the earlier Budget were left unaltered the deficit on the year would be £74,679,000; for the following year it would amount to £170,000,000. That was the situation with which he had to deal, and the Chancellor's proposals were substantial. He estimated that he could save £22,000,000 by economies in the current year and £70,000,000 in 1932-33. By reducing the Sinking Fund provision for the National Debt from £50,000,000 to £32,500,000 he planned to save £13,500,000 in the current year and £20,000,000 in the subsequent year. Then came tax changes. The standard rate of income tax went up from 4s. 6d. to 5s.; income tax allowances were reduced; surtax was raised ten per cent.; higher duties were imposed on beer, tobacco and petrol; entertainment tax was increased. Mr. Snowden's final estimate was that he would have a surplus of £1,500,000 for the financial year ending March 31, 1932.

The House cheered the Chancellor when he sat down for what appeared to be a courageous and effective attempt to deal with the crisis; but on September 19 there were rumours of mutiny among members of the Atlantic Fleet at Invergordon because of the reduced pay for the Forces which formed a part of the Budget scheme. The same day it became known that the £80,000,000 credits obtained in mid-August from Paris and New York Banks had been exhausted. On the 20th the Bank Rate was raised to six per cent., and it was announced that Britain was going off the Gold Standard.

So long as Britain remained on the Gold Standard other economic needs had to be subordinated to maintaining the purchasing power of the pound. If the purchasing power of the pound fell, people

would exchange pounds into gold, ship the gold abroad, exchange it into currency, buy foreign goods, ship them home, sell them, and make a profit. In this way the gold reserves would be rapidly depleted. Countries on the Gold Standard had to respect its rules. If they found gold being exported they were bound to take deflationary action—to reduce the money in circulation and thus restore its purchasing power. Raising the Bank Rate was one means by which this was done. The Bank Rate decides, indirectly, the interest rates on most borrowings. If it becomes more expensive to borrow money, people borrow less—that is, the banks “create” less.

The supposed virtue of the Gold Standard was that it preserved stability, and it is true that with any two countries on the Gold Standard the exchange rate between their currencies must be virtually stable. To this international stability of exchange rates the domestic economies must be sacrificed.

At home a Government might be obliged by the workings of the Gold Standard to create or aggravate a slump. During the years preceding 1931 the Government needed to expand credit and increase its own expenditure in order to re-inflate the economy. Instead, while we remained on the Gold Standard, it was obliged to do the opposite. It is a measure perhaps of the awe which the Governors of the Bank of England could inspire in Labour Ministers—or at least some of them. There were those, including the little-known Mr. Attlee, who were opposed to a deflationary policy, who declined—or, because of their opposition, were not asked—to join the National Government of 1931; who, indeed, regarded Ramsay MacDonald's action in leading the National Government as a political betrayal.

The difficulty of maintaining the purchasing power of the pound had been aggravated by the fact that when Britain went back on the Gold Standard in 1925 the pound was even at the first over-valued.

As it was, in 1931 not only the Gold Standard but the concept of a free economy had suffered in repute. At this point public opinion might well have been attracted to Socialism—had not the crisis reached its worst under a Labour Government. To the Labour Party State ownership of the means of production seemed to constitute the only ultimate alternative to them both.

By the end of September the National Economy Act had been passed. It gave legislative authority for reductions in Ministers' and M.P.s' salaries as well as those of judges, teachers and the Forces; reduced expenditure on the social services, on road improvements, and increased unemployment insurance contributions

by some £10,000,000. There were now 2,824,800 registered unemployed.

An early election had been promised when the National Government was formed, and subsequent events encouraged Conservative desires for an appeal to the country. The Labour Party as a whole, which was opposed to the National Government, was also ready for an election. On October 7 Parliament was dissolved.

The campaign that followed was full of bitterness. When the National Government was formed the pledge had been given that it would not be "a Coalition Government in the usual sense of the term"; yet the election appeal made by Ramsay MacDonald was that the National Government should be returned to carry on the work it had begun. The other election issue was an old one—protection or free trade?

MacDonald made it clear during his election speeches that he was not unequivocally opposed to an extension of protection as a means of improving the nation's trade and finances. Snowden supported free trade, and said so most emphatically, as did Arthur Henderson. Baldwin, who approved the continuance of a National Government, claimed that such a Government "must be free to consider any and every expedient which may help to establish the balance of trade" (*The Times*, October 26, 1931).

Lloyd George, taken ill in July and not to return to Westminster until the following year, was implacably hostile to the election and the basis on which it was being fought. He broke completely with the Liberal leaders, withdrew the support of his Fund from the Party and appealed to Liberals not to vote for candidates with a "National" label who were, he claimed, protectionist candidates.

The Labour Party's threat to nationalize the banks if returned to power was countered by the Conservative warning to the workers to look to their Post Office Savings which, it was claimed, would be unsafe if Labour were returned because a Labour Government would continue the practice of borrowing from the Post Office Savings Bank to meet the high cost of unemployment benefit.

The general atmosphere of the election campaign and the disposition of Party candidates is well described by Deryck Abel (*A History of British Tariffs, 1923-1942*; Heath Cranton, pp. 84-85):

"Relations between the Conservative and Liberal rank and file were embittered by the appearance of Conservative candidates against Sir Herbert Samuel, Sir Donald Maclean and three others among the eleven Liberal Ministers who were seeking re-election. Of thirty Conservative Ministers seeking re-election not one was

opposed by a Liberal candidate. Of the 615 constituencies, 517 were contested by Conservatives, with whom were closely associated 21 National Labour men and 40 more candidates who, following Sir John Simon, had pledged unconditional support to the National Government. The Liberal Party, despite its empty exchequer and the retirement of its candidates in constituencies held by National Conservative members, put up 120 candidates. Led by Sir Herbert Samuel and supported by all its representative organizations, it denounced the idea of an election, but supported the National Government with a reservation in favour of free trade. The Labour Party, shaken though it was by the loss of its leaders, and dismayed by the injustice of an electoral campaign which recalled the tactics of the Red Letter Election of 1924, succeeded, nevertheless, in bringing forward 513 candidates. The Labour manifesto declared for free trade. Labour rebutted the charge that it had caused the crisis, but only caused more trouble for itself by attributing the crisis to the bankers."

The election took place on October 27, and the result was a sweeping victory for the Conservatives. They won 471 seats and were able to count on the support of 13 National Labour Members, 35 supporters of Sir John Simon and two other "National" candidates. There were 33 Liberal Party candidates returned and Lloyd George with his son, Major Gwilym, his daughter, Megan, and Major Goronwy Owen, formed a minute Opposition Group of Independent Liberals. The Labour representation was slashed from 288 to 52. Mr. George Lansbury was the only former Labour Cabinet Minister who retained his seat.

In the reconstructed Cabinet there were twenty members. At the Foreign Office Sir John Simon replaced Lord Reading; Lord Hailsham succeeded Lord Crewe at the War Office; Lord Amulree, a National Labour Peer, was replaced at the Air Ministry by Lord Londonderry. Snowden, who was elevated to the Peerage, became Lord Privy Seal and was followed at the Treasury by Mr. Neville Chamberlain. Mr. Baldwin became Lord President of the Council. Sir Herbert Samuel continued at the Home Office; Sir Donald Maclean stayed on as President of the Board of Education and Sir Archibald Sinclair remained Secretary of State for Scotland. Mr. Walter Runciman was appointed President of the Board of Trade and Mr. Philip Cunliffe-Lister went to the Colonial Office.

Here must be interpolated a reference to the Japanese invasion of Manchuria, which began in September, when the economic and political crisis in Britain were more than sufficient to occupy the minds of politicians and public. Both China and Japan were

members of the League of Nations. China at once appealed to the League, whose members were pledged under the terms of the League Covenant to assist any one of their number attacked by an aggressor. Nothing was done. By the end of the year Japan had overrun the whole province, and the Government's subsequent behaviour over this incident was to contribute substantially to the waning power and effectiveness of the League as an instrument for preserving international peace.

The new Parliament met on November 3, and the first important item of legislation introduced was the Abnormal Importations Bill. It was to apply for six months only and empowered the Board of Trade to apply duty up to 100 per cent. on all imports other than those from the Dominions and others specified in a "free list." A Tariff Advisory Committee was also created to advise if and when the ten per cent. duties should be lowered or raised. In December the Horticultural Products (Emergency Provisions) Bill was introduced to enable 100 per cent. duties to be placed on fruit, vegetables and flowers. Its purpose was to prevent continental growers from reducing the market prices in Britain before British varieties were available.

The new year opened with threats of resignation from Snowden, Samuel, Sinclair and Maclean in protest against the majority view of the Cabinet that a general ten per cent. tariff should be imposed with additional duties on the recommendation of an Import Duties Advisory Committee. The threat was avoided by an unprecedented action: a Downing Street announcement issued on January 22 stated:

"The Cabinet has had before it the report of its Committee on the Balance of Trade, and after prolonged discussion it has been found impossible to reach a unanimous conclusion in the Committee's recommendations. The Cabinet, however, is deeply impressed with the paramount importance of maintaining national unity in presence of the grave problems that now confront this country and the whole world. It has accordingly determined that some modification of usual Ministerial practice is required, and has decided that Ministers who find themselves unable to support the conclusions of the majority of their colleagues on the subject of import duties and cognate matters are at liberty to express their views by speech and vote. The Cabinet, being essentially united on all other matters of policy, believes that by this special provision it is best interpreting the will of the nation and the needs of the time."

The Import Duties Bill became law on February 29, but only after the Commons had seen the unusual spectacle of Ministers

speaking from the Government Front Bench against a Government Bill.

There were several important conferences in the spring of 1932. At Lausanne, Germany's request for a revision of the Young Plan provisions of 1930 for the payment of reparations was considered. The settlement reached in July relieved the Germans of all further liability save for a final payment of £150,000,000. The delegates also decided that a World Economic Conference should meet in London during 1933 to consider what remedies could be applied to the economic and financial difficulties that most countries were facing.

In February the Disarmament Conference, attended by fifty-nine countries, including America and Russia, met at Geneva to discuss a draft convention produced after six years' work by a Preparatory Commission. Japanese aggression in China and Germany's production of the pocket battleship *Deutschland* had meanwhile supervened to create an unfortunate background to the conference. By the end of the year no effective decisions had been reached and Lord Londonderry, Secretary of State for Air, had refused to agree to the banning of the bombing plane—a fact which aroused much hostile criticism in Britain at the time.

The Imperial Economic Conference in Ottawa from July 21 to August 20, was yet another gathering where the spirit of unity was less apparent than had been hoped. Nevertheless, a series of agreements were concluded between Britain and the other Dominions, and the British delegation concurred that they should be binding for a period of five years—a provision subsequently denounced as unconstitutional by Liberal Members of the Government, and, in protest against the agreements, Snowden, Samuel, Archibald Sinclair and eight junior Ministers resigned from the Government.

The third session of the Round Table Conference on India met in London during November. Agreement was reached on many points, notably on the franchise; but on finance matters and the distribution of powers under a system of responsible government for India deep divisions of opinion persisted.

When Adolf Hitler became Chancellor of Germany in January, 1933, the significance of the event was not appreciated in the world's capitals. The fear of war had receded in Britain. Financial and industrial troubles had been more than sufficient to occupy the public mind; pacifism was strong in the Labour Party, and Baldwin was not prepared to speak of rearmament in such an atmosphere.

The Air Estimates presented in the spring were certainly not

calculated to alarm, and most of the important legislation during the year was to be of a domestic character. The Local Government Act consolidated a number of local government and public health enactments. The Road and Rail Traffic Act regulated the carriage of goods by road, amended the provisions of the Road Traffic Act of 1930 relating to wages and conditions of employment, and provided for the appointment of the Road and Rail Appeal Tribunal. Two Agricultural Marketing Acts were put on the Statute Book, the second, and more important, providing for the payment of compensation to producers who were adversely affected by the working of a marketing scheme.

Other measures designed to safeguard food producers included the Wheat Act, aimed at providing a profitable price to wheat growers, and the Sea Fishing Industry Act which enabled the Board of Trade to regulate and restrict the landing of foreign-caught sea-fish. In September, the Milk Marketing Board was constituted. One other important measure, the London Transport Act, grouped together a number of undertakings in London and constituted the London Passenger Transport Board—a compromise between nationalization and private enterprise.

In the international field developments were consistently unfortunate. Japan withdrew from the League of Nations in March after the Council had accepted the report of the Lytton Commission which investigated the invasion of Manchuria. That the Japanese envoy, Matsuoko, expressed gratitude for the manner in which Sir John Simon presented Japan's case was indicative of Britain's failure courageously to support the principles and precepts of the League. Accordingly, after the Disarmament Commission reassembled in February, having failed in the previous year to agree on any measure of disarmament, MacDonald himself went to Geneva—in March—but as the discussions dragged on it became clear that Germany was bent on being allowed to re-arm substantially. Refusal to agree that Germany should have parity in arms with the other Big Powers ended in October with the withdrawal of Germany from the League. The Conference met again in the following year, but was never formally concluded; it just ceased to be.

The failure of the Conference, the developing militarism of Germany and Italy, were proof that the pursuit of disarmament was folly. Against the pacific, if not pacifist, tide of public opinion, however, the Government was not prepared to admit as much. On October 25 at a by-election in the traditionally Conservative seat of East Fulham, the Conservative candidate was heavily

defeated by a Socialist, and similar results were recorded in other constituencies. But within the Conservative Party there were men like Churchill and Leo Amery who perceived the significance of events, and it was due to their efforts that a few weeks before the East Fulham by-election the annual conference of the Conservative and Unionist Associations expressed anxiety about the provisions made for Imperial defence.

Lloyd George, who since the advent of the National Government had been relatively quiet politically, shared the majority view that Germany was not potentially dangerous. He feared Russia more. During a speech at Barmouth on September 22, 1933, he said:

Final
 "All the trouble that has arisen in Europe and in Germany in particular has come from a flagrant breach of the undertaking to disarm by all the victor nations but one, and the League of Nations' failure to enforce that pledge has destroyed its moral influence. . . . If the powers succeed in overthrowing Nazism in Germany, Communism will follow."

The one voice constantly to be raised against the dangers that were gathering was that of Winston Churchill. He and a few political friends in the Conservative Party apprehended the shape of things to come, and were increasingly concerned by the lack of an incisive policy. Writing after the events of these years, but with full justice in view of his own record, Churchill declared (*The Second World War*, Vol. I, "The Gathering Storm," Cassell, pp. 69-70):

"We must regard as deeply blameworthy before history the conduct not only of the British National and mainly Conservative Government, but of the Labour-Socialist and Liberal Parties, both in and out of office during this fateful period. Delight in smooth-sounding platitudes, refusal to face unpleasant facts, desire for popularity and electoral success irrespective of the vital interests of the State, genuine love of peace and pathetic belief that love can be its sole foundation, obvious lack of intellectual vigour in both leaders of the British Coalition Government, marked ignorance of Europe and aversion from its problems in Mr. Baldwin, the strong and violent pacifism which at this time dominated the Labour-Socialist Party, the utter devotion of the Liberals to sentiment apart from reality, the failure and worse of Mr. Lloyd George, the erstwhile great war-time leader, to address himself to the continuity of his work, the whole supported by overwhelming majorities in both Houses of Parliament: all these constituted a picture of British fatuity and fecklessness which, though devoid

of guile, was not devoid of guilt, and, though free from wickedness or evil design, played a definite part in the unleashing upon the world of horrors and miseries which, even so far as they have unfolded, are already beyond comparison in human experience."

Symptomatic of the prevailing feeling of these times was the now famous resolution that "This House will not fight for King and Country" passed by the Oxford Union during 1933. Though some wrote it off as mere undergraduate nonsense, it had an effect abroad as indicating something of the temper of thought in Britain.

Although darkness was beginning to overshadow the international scene, there was some lightening of the picture at home. The record figure of 2,903,065 unemployed at the beginning of 1933 had fallen to 2,224,079 by the beginning of 1934, and there were then a larger number of people in employment—more than 10,000,000—than at any time since February, 1930. There was also a slight but perceptible improvement in the terms of trade, and it was to be maintained. An improvement in the national finances was revealed by Mr. Neville Chamberlain's intimation in his Budget Speech that half the cuts in the salaries of State employees, and the cuts in unemployment benefits imposed in 1931, would be restored. Legislation was introduced and before the end of June the Unemployment Act had become law. It restored the cuts in benefit, made various other changes in the existing law and set up the Unemployment Assistance Board to take over the work of the Public Assistance Committees. The creation of the Board was well intentioned, but the regulations by which it was governed were to provoke considerable controversy when they came into force early in 1935.

It was in 1934, under the Road Traffic Act, that a speed limit of 30 m.p.h. was imposed on vehicles in built-up areas; that the driving test scheme was introduced; that pedestrian crossings were first authorized; and that pedal cycles had to bear a white patch on the rear mudguard. The Act contained other provisions, and the Government's general concern about road matters in general, and safety measures in particular, found expression in the appointment of the Committee on Road Safety. In this year, too, came the Special Areas (Development and Improvement) Act to co-ordinate efforts to deal with unemployment in the depressed areas. It also provided £2,000,000 for the purpose.

One other important Act of 1934 was the Shipping Assistance Act devised to help Britain's tramp shipping through subsidies made on the recommendation of a Tramp Shipping Subsidy Advisory Committee. Of the developing threat to world peace

the Government still showed little awareness in its legislative programme, and not overmuch in the utterances of Front Bench spokesmen.

The Air Estimates presented in March, 1934, allowed for an increase in the front line strength from 850 to 890. Then in July the Government proposed to strengthen the R.A.F. over a period of five years by some 800 aircraft. The Labour Party at once tabled a motion of censure and refused to support the proposal. The Liberals were only little less anxious to approve it.

Meanwhile, Germany had concluded a ten-year non-aggression pact with Poland, an action that pleased the Poles because it enabled them to concentrate on the defence of their frontier with Russia and to feel secure about the German-Polish border. The Pact was signed in January. Soon afterwards Hitler announced Germany's intention to respect the independence of Austria, but in July inspired the assassination of the Austrian Chancellor, Dr. Dolfuss—a move that was to be of momentary disadvantage because it later encouraged Mussolini to reach agreement with France that the two countries would act together if Germany rearmed or made any fresh move in Austria. During these turmoils President Hindenburg died and Hitler became both President and Chancellor.

In November Lloyd George was still convinced that Russia, rather than Germany, was the greater potential danger to peace and spoke in the House of Commons to that effect. Churchill, on the other hand, moved an amendment to the Address which stated that "the strength of our national defences and especially of our air defences is no longer adequate to secure the peace, safety and freedom of Your Majesty's faithful subjects." In support of the amendment Churchill claimed that if Germany carried out its existing programme, and Britain its own programme with the increases announced in July, by November of the following year the German Air Force would be at least as strong as Britain's. In two years' time, he asserted, it might be nearly 50 per cent. stronger than the R.A.F.

Baldwin's reply was categorical: "So far from the German military Air Force being at least as strong as, and probably stronger than, our own, we estimate that we shall still have a margin in Europe of nearly 50 per cent." The nation welcomed this assurance, but Churchill held to his own opinions.

At this time a White Paper on Defence was being prepared. It had been sanctioned by MacDonald and Baldwin, though its production had been proposed by senior Government officials. Before the turn of the year there were to be two indications of

the way in which events were moving, both indicative of the urgent need for an assessment of British Defence policy. On December 5 there was a clash between Italian native troops and Abyssinians at a place called Wal Wal. Abyssinia sought arbitration; Italy refused and, in return, demanded compensation. Abyssinia referred the matter to the League of Nations on January 3, 1935, but before that had happened—on December 31—Japan gave notice to end in 1936 the Washington Naval Treaty by which Britain, America and Japan agreed to preserve a capital ship ratio of 5-5-3 respectively.

The Abyssinian appeal was suspended on January 19, the Governments concerned having agreed to try to settle the dispute by direct negotiations. But in January the French Foreign Minister, Pierre Laval, visited Rome to confirm the agreement for joint Franco-Italian action in the event of a German attack on Austria. There was considerable bargaining between Laval and Mussolini, primarily over Italian claims on French colonial territory in Africa, during which Laval assured the dictator that France would not hinder the Duce's Abyssinian designs.

Within a month Laval was in London with the French Premier, M. Flandin, to discuss with the British Government how the re-armament of Germany (denied in public by Ministers, but known to them in fact) could be limited. Two of the proposals made to Germany as a result of the Anglo-French talks were that she should join an Eastern Pact of mutual assistance with Russia and Poland, and that Britain, France, Belgium and Germany should support with their air forces any one of them attacked from the air by another.

From Berlin came a request that a British Minister should visit Germany immediately to discuss the proposals, and the Foreign Secretary, Sir John Simon, decided to go. On March 4 the Defence White Paper was laid before Parliament. From the Labour Benches came a motion of censure on the Government, and Mr. Clement Attlee said his Party believed "that the policy as outlined here is disastrous, and it is rattling back to war."

Germany's reaction to the White Paper was startling. The Saar had been handed over to German sovereignty on March 1 following a plebiscite held in accordance with the provisions of the Versailles Treaty. The overwhelming vote in favour of a return to Germany was extremely pleasing to Hitler and a boost to his prestige. As an answer to the White Paper he announced on March 9 the formal creation of the German Air Force, and on the 16th, in violation of Part V of the Versailles Treaty, re-instituted

conscription. Just before Sir John Simon was due to leave for Berlin the British Government had been informed that Herr Hitler had a severe cold—an affliction which, it was assumed in London, was caused by the revelation in the White Paper of Britain's awareness of Germany's growing military strength. The French, who had been warned that the German conscription announcement was coming, anticipated it by a few hours with a statement that their own military service would be extended from one to two years. Being perturbed by the necessity to extend conscription, they also appealed to the League. It was decided to challenge Hitler's action, and a conference was arranged at Stresa to be attended by Britain, France and Italy. In the meantime Sir John Simon returned from Berlin with the information vouchsafed to him by Hitler that Germany had reached air parity with Britain.

At the Stresa Conference little was accomplished. The final communique expressed the Powers' "complete agreement in opposing, by all practicable means, any unilateral repudiation of treaties which may endanger the peace of Europe, and will act in close and cordial collaboration for this purpose." But at the very time the delegates were meeting, Italian ships were passing through the Suez Canal with troops and stores for the campaign in Abyssinia. The question of Abyssinia was never discussed at Stresa, and the silence was rightly interpreted by Mussolini as a hint that he could "go ahead" without fear of ill consequences.

Sir John Simon's news from Berlin greatly perturbed the Cabinet, and immediate action was taken to step up aircraft production. Baldwin admitted in the Commons how wrong he had been about the comparative sizes of the British and German Air Forces when he spoke on the subject in November, 1934. He confessed: "First of all, with regard to the figure I gave in November of German aeroplanes, nothing has come to my knowledge since that makes me think that figure was wrong. I believed at the time it was right. Where I was wrong was in my estimate of the future. There I was completely wrong. . . . Neither I nor any advisers from whom we could get accurate information had any idea of the exact rate at which production was being, could be, and actually was being speeded up in Germany."

The French, on May 2, had signed a non-aggression pact with Russia and Britain, in June, without informing the French, suddenly signed a Naval Agreement with Germany, the main feature of which was that the German Navy should not be more than one-third the size of Britain's.

Just about this time—actually on June 7—Ramsay MacDonald and Baldwin exchanged offices. MacDonald had become increasingly unwell, his eyesight was troubling him greatly and his general unpopularity among the Conservatives was only matched by the dislike of the Labour Opposition. That the change was needed was clear to all. Sir Arthur Salter has stated (*Personality in Politics*, Faber, p. 65): “It was MacDonald’s cruel destiny, unusual in a country with Parliamentary government, to outlive himself, neither in retirement, nor in the intermittent activity of opposition, but in the office of Prime Minister.” Sir Arthur has also provided a penetrating and poignant summing-up of MacDonald (p. 54):

“... at the climax of success to lose the friendships of earlier life; to be a renegade instead of a leader in the eyes of those with whom success was won; to find the captured citadel turning into a gilded prison; then to be conscious of waning powers while still in an office which demands the best; and at last to drift into impotence and open disrespect—this surely is a supreme example of the tragedy of success.”

Baldwin put Sir Samuel Hoare at the Foreign Office in place of Sir John Simon, who became Home Secretary. Lord Londonderry was replaced at the Air Ministry by Sir Philip Cunliffe-Lister and Mr. Anthony Eden was appointed Minister for League of Nations Affairs with equal status to the Foreign Secretary.

Soon after the change of Premiership the Peace Ballot, backed by the League of Nations Union with widespread support in the Labour and Liberal Parties, produced more than 11,000,000 signatures for a five-point declaration in support of the League of Nations, disarmament, the banning of naval and military aircraft and the imposition of economic and non-military sanctions against any nation that attacked another, and, if necessary, military measures against the aggressor. This was not, as some commentators have claimed, a public demonstration in favour of peace at any price. Rather was it an earnest expression of a general desire to prevent war if at all possible; and a substantial majority of the petitioners approved the use of force if necessary to deter any country that wilfully broke the peace.

At Geneva the Abyssinian question remained unresolved. A Conciliation Commission had been appointed; Three-Power Conversations were agreed to; but in July the Commission reached deadlock and by mid-August the Three-Power Talks had broken down. In early September the Commission reported that neither Italy nor Abyssinia could be held responsible for the original

incident that had been the ostensible cause of the trouble between the two countries. Then on September 11 Sir Samuel Hoare addressed the League Council and declared that Britain stood for the maintenance of the Covenant "and particularly for steady and collective resistance to all acts of unprovoked aggression." Laval followed him and declared "Our obligations are inscribed in the Covenant. France will not evade them." In less than a month, on October 3, Italian troops had advanced into Abyssinia. The same day the League Council decided to apply sanctions and the Assembly a week later approved this course, Austria and Hungary being the only dissentients.

By now a general election was pending. A new Parliament was constitutionally due. But for the Government the problem of devising an election programme was not easy. The country had been shocked by Italy's attack on Abyssinia, and the idea of imposing sanctions on the aggressor was widely supported. The possibility that the thoroughgoing application of sanctions might lead Britain into open war with Italy was not grasped by the public, and yet with the election near the Government could not afford to appear to flout what was clearly a widely-held view.

Sanctions of an ineffective kind were applied, but oil, without which the Italian war machine would have been impotent, was not among the list of prohibited items. French pressure was substantially responsible for the British Government's tardy attitude. Earlier in the year the French had come to terms with Italy, and by so doing were able to transfer many divisions from the Italian front to the German border. There was, therefore, no desire in Paris to make an enemy of Italy.

Parliament was dissolved on October 25. The Conservative Manifesto declared: "The League of Nations would remain as heretofore the keystone of British foreign policy. The prevention of war and the establishment of peace in the world must always be the most vital interest of the British people, and the League is the instrument which has been framed and to which we look for the attainment of these objects. We shall therefore continue to do all in our power to uphold the Covenant and to maintain and increase the efficiency of the League. In the present unhappy dispute between Italy and Abyssinia there will be no wavering in the policy we have hitherto pursued."

There was some division of view in the Labour Party. A large section was still strongly pacifist, though George Lansbury had retired from the Party Leadership the previous month and had been succeeded by Mr. Attlee. He and other Party leaders spoke

against rearmament, but also denounced the action of Mussolini and strongly supported the imposition of sanctions against Italy.

Lloyd George emerged in the campaign supported by the Council of Action, an organization he had formed earlier in the year. Through the Council he financed candidates who agreed to support the Council's policy irrespective of the Government that was returned. Its programme included sanctions against Italy, a five-years' non-aggression pact during which no military alliances were to be entered into, the reduction of tariffs and the abolition of quotas.

Polling took place on November 14. Baldwin's appeal was still for the return of a National Government, and he was successful in substantial measure. "I give you my word there will be no great armaments," he had told the Peace Society at the Guildhall on October 1. He was returned with a majority over all other parties of 247. It was a remarkable achievement.

A decision to impose oil sanctions against Italy had not yet been taken and Laval was asking that a decision be delayed. Sir Samuel Hoare, after worrying years at the India Office and latterly at the Foreign Office, was in need of rest; he planned to go to Switzerland on December 7, but shortly before he left received an urgent request from Laval to call in at Paris. Mussolini was worried about the sanctions already imposed and those that were threatened. Conquest of the Abyssinians was proving more difficult than he had anticipated and, although the battle was going against them, they were still not disposed to concede any territory. If Britain and France would approve a division of Abyssinia, leaving four-fifths of the country still in Abyssinian hands, peace might be achieved.

Such was the plan the Duce put to Laval and for which Laval won the agreement of Hoare, supported by Sir Robert Vansittart from the Foreign Office. The Cabinet approved the proposal on December 9, but when its action became known there was anger and resentment throughout the country and in all parts of the House of Commons. On December 18 the Cabinet withdrew its support of the Hoare-Laval Plan, by its action necessitating the resignation of the Foreign Secretary. His successor, Anthony Eden, was appointed on the 22nd. A stormy year drew to its end, and as it did so, unrealized by the public, the life of King George V was "drawing peacefully to its close." Ahead, and in substantial measure, lay more trouble for Parliament and nation.

CHAPTER TEN

Exhaustion of Peace

George V Dies—Germany Occupies the Rhineland—The "Jimmy Thomas Scandal"—Spanish Civil War—Mr. Baldwin's Admission—Abdication—Increased Defence Expenditure—Chamberlain Succeeds Baldwin—Eden Resigns—"Eire"—Munich—At War

BETWEEN the death of King George V in January, 1936, and the abdication of Edward VIII in December, the year was compounded of months of mounting disillusion. It was to be the last year of Baldwin's premiership. He was tiring; he was weakening; the abdication crisis was finally to tax his resources and encourage his desire to shed his political worries.

The King died on January 20. Dr. Thomas Jones, in a letter to Lady Grigg on January 24 (*A Diary with Letters, 1931-1950*, Oxford University Press, pp. 163-164), described how the Prime Minister had told him:

"You know what a scrimshanker I am. I had rather hoped to escape the responsibility of having to take charge of the Prince as King. But perhaps Providence has kept me here for that purpose. I am less confident about him than Lucy (Mrs. Baldwin) is. It is a tragedy he is not married. He is very fond of children . . . He had been to see Mrs. S. (Mrs. Simpson) before he came to see me. She has a flat now. The subject is never mentioned between us. Nor is there any man who can handle him."

Those few words describe compactly and clearly how anxious were the circumstances in which the new King acceded to the Throne. In subsequent months messages and information from the Court to 10, Downing Street were to increase the concern with which the King's conduct and intentions were viewed by officials. Ultimately not only the nation but the whole Commonwealth was to be involved in a human drama which, because of the unique status of its principal figure, commanded the world's headlines and swept from consideration the hastening signs of international unrest.

Whether or not to impose oil sanctions against Italy because of her assault on Abyssinia remained one of the major worries of the Governments in Britain and France. Britain was still pressing Germany to agree to a mutual security pact covering aerial warfare. The possibility that war might come soon rather

than late was increasingly realized by the Cabinet. On March 3 a Defence White Paper was published which stated: "The Members of the League recognize that the maintenance of peace required the reduction of armaments to the lowest point consistent with national safety, and the enforcement of international obligations." It also provided for greatly increased spending on the Army, Navy and Air Force. Here was the enunciation of a rearmament policy, and on March 9 the Attorney-General, Sir Thomas Inskip—no one knew why he was chosen—became Minister for the Co-ordination of Defence.

Two days before his appointment the need for urgent thinking on defence matters had been emphasized by the German march into the Rhineland. The area had been demilitarized under the terms of the Versailles Treaty, but its re-occupation was also a contravention of the Locarno Treaty. Hitler justified the move by claiming that the Franco-Soviet Pact ratified by France on February 27 itself violated the spirit of the Locarno Treaty.

Britain, France and Italy could have marched against Hitler; but Italy would not do so, pointedly reminding her partners that while sanctions were being imposed such a course was impossible. The French were more ready to consider military action, but Britain was not prepared to fight over the Rhine. The British policy was to condemn the German action, but accept what had happened, and then negotiate. On March 11 Mr. Eden proposed to the German Ambassador in London that the German forces in the Rhineland should be reduced to a token force and that discussions should then begin. France was not told in advance of this move, which Hitler firmly rejected. Thereupon Mr. Eden proposed military staff talks between Britain, France and Belgium; Hitler was invited to submit his case against the Franco-Soviet Pact to the International Court at the Hague. If that was not done, Italy agreed to carry out, with Britain, the obligations imposed on both nations by Locarno. Hitler, rightly sensing there was no danger that Britain and France would use force in consequence of his Rhineland manœuvre, rejected any recourse to the International Court.

The re-occupation was debated in the House of Commons on March 26, when Winston Churchill and Sir Austen Chamberlain both spoke forcibly of the dangers to European peace inherent in the behaviour and growing strength of the Germans. On April 6, following a Government defeat in the Commons five days previously on the issue of equal pay for women, the Prime Minister sought a Vote of Confidence. He won it, but again Churchill

warned that re-occupation of the Rhineland would be followed by the fortification of the German frontier opposite France.

By this time the Italians had used mustard gas in their campaign against the Abyssinians, an action which prompted bitter feeling in Britain. The League Council at Geneva did no more than remind Italy and Abyssinia, on April 20, that they were bound by the League Convention which banned the use of poison gas. A resolution was passed making to Italy "a supreme appeal to bring to the solution of her conflict with Abyssinia the spirit which the League expects of a founder member."

By June the conquest of Abyssinia had been substantially completed. The Emperor had fled and on the 9th Mr. Eden announced that the Government had decided to raise sanctions because there was no longer any utility in continuing these measures as a means of pressure upon Italy.

Meanwhile the Government had had some domestic trouble. Early in May the Government drew sharp opposition from the coal owners with a Bill for the compulsory amalgamation of collieries. After some vacillation it was decided to postpone further consideration until the autumn.

The "Jimmy Thomas scandal" had followed the Budget. The Government was informed by the Insurance Companies that a number of policies had been taken out prior to the Budget insuring against a possible rise in income tax. There was such a rise and, in consequence of the reports received, a Tribunal was appointed to investigate the matter. It found that the Colonial Secretary, Mr. J. H. Thomas, the only surviving Labour Member of the National Government, had disclosed knowledge of the Budget which he had obtained in advance through being a member of the Cabinet. He had to resign office, and so passed from the Front Bench a popular Minister whom Lord Birkenhead once described (*Contemporary Personalities*, The Earl of Birkenhead, Cassell, p. 191) as "no more Socialist than, say, Lord Parmoor or Mr. Winston Churchill." Baldwin himself never believed that Thomas gave away the facts with any intent; but that he just talked too freely.

Whatever failures there were in other fields, successes were registered in the Government's legislative programme. The Unemployment Insurance (Agriculture) Act became law on April 9, bringing agricultural workers in line with others in the provision for unemployment contributions and benefits. New regulations approved by Parliament altered the system by which public assistance was paid. The "Means Test," which had inspired strong

criticism from the Labour Party, was much modified. Though the continuance of a Test remained, by "making due allowance for the free exercise of the Means Test, the Government recovered its lost prestige on this difficult issue" (*Unemployment Insurance and Assistance in Britain*, by Percy Cohen, C.B.E., Harrap, p. 71).

The Education Act of 1936 raised the school-leaving age to fifteen, exception being made for children over fourteen who obtained beneficial employment. The abolition of an old practice, the payment of tithes, was foreshadowed by the Tithes Act, which gave effect to recommendations contained in their report of a Royal Commission appointed in 1934 to inquire into the whole question of tithe rent charge. Responsibility for the maintenance and improvement of some 4,500 miles of trunk roads were transferred from the County Councils to the Ministry of Transport under the terms of the Trunk Road Act.

The emergence of Sir Oswald Mosley's "Blackshirt" organization led to another important measure being placed on the Statute Book during the year—the Public Order Act, which, besides prohibiting the wearing of "political uniform" in public, the carrying of offensive weapons in a public procession and the prohibition of organizations "trained or equipped for the purpose of enabling them to be employed in usurping the functions of the police or of the Armed Forces of the Crown," also extended the right to prosecute people who threatened to break the peace outside the boundaries of London, empowered the police to take the names and addresses of interrupters at public meetings and to arrest them if they refused to give such details.

During May and June rumours spread through Westminster that the Prime Minister was to retire. He was quite ready to give up the Premiership, but thought he should continue for a while longer. Apart from his handling of the Abdication, Baldwin was to demonstrate a less precise and clever management of affairs than previously.

On July 11 the signing of an Austro-German Pact was announced. By this agreement Germany recognized the full sovereignty of Austria which, two years later, Hitler was to violate with ruthless and unchecked assurance. Less than two weeks later, on July 23, a communiqué was issued on talks that had taken place between three of the Locarno Powers: Britain, France and Belgium. Delegates had considered proposals made earlier in the year by Germany and France for military agreements that would safeguard the peace of Europe. The Three-Power meeting suggested that a new pact should be negotiated, to take the place of the now discredited

Locarno Pact. Germany and Italy stated in September that they would enter into discussions, but not before October. They never did.

Churchill's growing anxiety about the state of Britain's defences led him at this time to persuade the Prime Minister to receive a deputation of Privy Councillors from both Houses of Parliament to hear details of the relative strengths of British and German arms—as they were known, by devious means, to this distinguished group, including Leo Amery, Sir Austen Chamberlain, Admiral Sir Roger Keyes, the Marquess of Salisbury, Viscount Trenchard, Earl Winterton, and others.

Nothing substantial came of the meeting. The Defence Minister late in November told the deputation that the Government could not approve emergency measures to deal with such a situation as had been outlined to them. Mr. Churchill's pursuit of more facts about German rearming and Britain's weaknesses proceeded unabated, with little encouragement from either the Government or Opposition benches.

By the end of July fighting had broken out in Spain: fighting that was to develop into two years of Civil War between the Fascist and Communist elements; the war in which Germany and Italy were to give military aid to General Franco while the Russians gave what help they could to the Communists. The official British and French views were that nothing should be done that might lead to a spreading of the conflict and a policy of non-intervention was accordingly pursued.

As the year wore on the Prime Minister's life became increasingly involved in the King's continuing association with Mrs. Simpson. The subject had become the main topic of conversation in political, governmental and society circles. But the realities of day-to-day politics remained. It was in November that the German-Japanese Anti-Comintern Pact was signed, and on November 12, during the debate on the Address, that Baldwin made the statement which, more than any other he uttered, was afterwards to be quoted against him.

Mr. Churchill had attacked the Government's failure to ensure that the nation's air strength would not be inferior to that of any country within striking distance. He accused the Government of not being able to make up its mind about its defence policy. In reply the Prime Minister said he wanted to speak to the House with the utmost frankness, and continued:

“The difference of opinion between Mr. Churchill and myself is in the years 1933 onwards. . . . You will remember the election

at Fulham in the autumn of 1933, when a seat which the National Government held was lost by about 7,000 votes on no issue but the pacifist. . . . My position as leader of a great Party was not altogether a comfortable one. I asked myself what chance was there—when the feeling that was given expression to in Fulham was common throughout the country—what chance was there within the next year or two of that feeling being so changed that the country would give a mandate for rearmament? Supposing I had gone to the country and said that Germany was rearming, and that we must rearm, does anybody think that this pacific democracy would have rallied to the cry at that moment? I cannot think of anything that would have made the loss of the election from my point of view more certain.”

It was a remarkable admission which amazed members in all parts of the House; but it has since been claimed that Baldwin feared less the losing of an election by the National Government, as a consequence of calling for rearmament, than the effect on the country of Labour being returned, as it might have been if he had appealed for rearmament.

Four days after the debate, on November 16, the King sent for Baldwin, who told him that marriage with Mrs. Simpson would not be approved. “I mean to marry her, and am prepared to go,” was the King’s rejoinder, whereupon the Prime Minister replied: “Sir, this is grievous news.” Though the British Press was still silent on the subject, it now became a matter of anxiety to the Cabinet how much longer such silence could be maintained.

On November 25 the King asked Mr. Baldwin to consider what was termed the Morganatic marriage—a marriage in which the King would marry Mrs. Simpson as a private man, and in consequence of which she would not become Queen. The Prime Minister gave it as his opinion that Parliament would never approve such a proposal, but at a Cabinet meeting two days later it was decided to ask the Dominion Premiers for their views on a marriage by which Mrs. Simpson would become Queen, the so-called Morganatic plan, and abdication.

The Dominions were unanimously against a marriage of any kind. Majority feeling in the Conservative Parliamentary Party was similarly opposed. Then on November 29 the Bishop of Bradford, Dr. Blunt, spoke of the King, during a sermon, in such a way as to lead the Press to believe he was talking of the crisis that had arisen. The *Yorkshire Post* reported the sermon on Monday, November 30, and within days the Press of the country was blazing the story of the King across all the front pages.

When Mr. Attlee asked the Prime Minister in the Commons on Thursday, December 3, if any constitutional difficulties had arisen, and if he had any statement to make, Mr. Baldwin said there was no such difficulty at the moment, but the circumstances were such as to make it inexpedient that he should say anything more. Mr. Churchill, who was deeply attached to the King and was anxious to avoid his departure from the Throne, asked for an assurance that no "irrevocable step" would be taken before a general statement was made to Parliament. Baldwin retorted that he had nothing to add to the statement he had already made.

On this same day the King asked formal permission of Baldwin to see Mr. Churchill. The Premier gave his permission, but told the Cabinet on the following day that he had blundered in so doing. From then on it was Baldwin's fervent desire to bring the unfortunate situation to a conclusion. He feared the consequences of its prolongation.

Again on the 4th Attlee unsuccessfully sought a statement from the Prime Minister, and again Mr. Churchill asked that no irrevocable step be taken before a statement had been made to the House. Cheers greeted this request, to the great concern of the Government, who thought they betokened the formation of a King's Party. But no such development took place, though a few Members did write to the King assuring him of their support in any action he might think fit to take to uphold his constitutional rights.

By Monday, December 7, opinion was hardening against the King. In the Commons, Churchill was shouted down, and from that moment suffered a temporary fall in public esteem, while the reputation of the Prime Minister rose steeply from the low level to which it had dropped in preceding months.

Baldwin saw the King at Fort Belvedere on Tuesday and urged him to wrestle with his conscience; but the King's mind was by now resolved on abdication. On December 10 the Prime Minister informed the Commons that the King would abdicate and on the 11th was promulgated His Majesty's Declaration of Abdication Act which gave effect to the King's declaration of abdication "and for purposes connected therewith." The Prime Minister had, as Churchill subsequently stated, "proved himself to be a shrewd judge of British national feeling" (*The Second World War*, Vol. I, *The Gathering Storm*, Winston S. Churchill, Cassell, p. 171). "Undoubtedly, he perceived and expressed the profound will of the nation."

While the world marvelled at the calm but certain way in which Britain passed through the Abdication Crisis, 1937 arrived, and

with it new question-marks to set off against the future. Although the year opened with an exchange of assurances between Britain and Italy regarding each other's rights in the Mediterranean, fresh evidence of concern, genuine if belated, for the state of the nation's defences was provided by the Defence White Paper published in February. It foreshadowed defence expenditure of £1,500,000,000 spread over five years. Of this sum no less than £24,000,000 was to be spent on three capital ships. The Army and R.A.F. were to be provided with new weapons, equipment and reserves; shadow factories were to be built, and large sums were to be spent on developing anti-aircraft defences. The taxpayers would have to find £220,000,000 a year for the new programme.

The 1937 Budget inevitably reflected the heavy cost of defence. The Chancellor estimated that there would be a deficit for 1937-38 of £15,000,000, which he proposed to meet by another threepence on income tax, raising the tax to five shillings, and a National Defence Contribution. Neville Chamberlain had himself devised this tax which was to be applied in a graduated form to the profits of trades and business. But the City was vehemently opposed to the innovation and it was withdrawn.

Not until the Coronation of King George VI and Queen Elizabeth on May 17 did the public turn from its thoughts of the Abdication to these other matters. Baldwin had made what was to be his last speech in the Commons on May 5 and his last appearance there on the 27th. Before the end of 1936 he had decided firmly on retirement, and on Neville Chamberlain as his successor. The new Prime Minister kissed hands on May 28 and Baldwin passed out of politics emblazoned with the Garter and an Earldom.

For years Baldwin had been popularly known as "Honest Stan," though the trust implied by the name was impaired by his 1936 "confession" about German rearmament. In both Baldwin and Chamberlain, however, those who worked closely with them perceived a high moral integrity. In other respects they were vastly different in character—as Churchill has explained, not only with eloquence, but, despite their several refusals to include him in their Governments, with magnanimity (*The Second World War*, Vol. I, *The Gathering Storm*, Winston S. Churchill, pp. 173-174):

"Stanley Baldwin was the wiser, more comprehending personality, but without detailed executive capacity. He was largely detached from foreign and military affairs. He knew little of Europe, and disliked what he knew. He had a deep knowledge of British Party politics, and represented in a broad way some of

the strengths and many of the infirmities of our Island race. He had fought five elections as leader of the Conservative Party and had won three of them. He had a genius for waiting upon events and an imperturbability under adverse criticism. He was singularly adroit in letting events work for him, and capable of seizing the ripe moment when it came. . . .

“Neville Chamberlain, on the other hand, was alert, business-like, opinionated and self-confident in a very high degree. Unlike Baldwin, he conceived himself to comprehend the whole field of Europe, and indeed the world. Instead of a vague but none the less deep-seated intuition, we had now sharp-edged efficiency within the limits of the policy in which he believed. Both as Chancellor of the Exchequer, and as Prime Minister, he kept the tightest and most rigid control upon military expenditure. . . . His all-pervading hope was to go down to history as the great Peace-maker ; and for this he was prepared to strive continually in the teeth of facts, and face great risks for himself and his country.”

Few Government changes followed Chamberlain's advent to Downing Street. His administration was : Chancellor of the Exchequer, Sir John Simon ; Lord President of the Council, Lord Halifax ; Lord Chancellor, Lord Hailsham ; Lord Privy Seal, Earl de la Warr ; Home Secretary, Sir Samuel Hoare ; Foreign Secretary, Mr. Anthony Eden ; Colonial Secretary, Ormsby Gore ; Secretary of State for War, Mr. Hore-Belisha ; Dominions Secretary, Mr. Malcolm MacDonald ; Secretary of State for India, Lord Zetland ; Secretary of State for Air, Lord Swinton ; Secretary of State for Scotland, Mr. Walter Elliott ; First Lord of the Admiralty, Mr. Duff Cooper ; President of the Board of Trade, Mr. Oliver Stanley ; Health Minister, Sir Kingsley Wood ; President of the Board of Education, Lord Stanhope ; Minister of Agriculture, Mr. W. S. Morrison ; Minister for the Co-ordination of Defence, Sir Thomas Inskip ; Minister of Transport, Mr. Leslie Burgin ; Chancellor of the Duchy of Cornwall, Lord Winterton.

Some important legislation was passed during the year. The Ministers of the Crown Act, for which Chamberlain was substantially responsible, gave to the Leader of the Opposition, for the first time, a salary of £2,000 a year. For the first time also, the positions of the Prime Minister and the Cabinet were legalized. A salary of £10,000 was attached to the office of Prime Minister—formerly the Premier had received only £5,000 as First Lord of the Treasury and the salary of any other office he might hold. A maximum was fixed of the number of Ministers who could sit

in the Commons and a minimum limit on those who should sit in the Lords. The salaries of some Cabinet Ministers were equalized.

Another important constitutional measure was the Regency Act, which for the first time enabled Parliament to provide for the absence, incapacity or minority of a Sovereign. Since the passing of this Act the Regency of a minor has been invested in the next adult heir; in the case of illness, not involving total incapacity, or absence abroad, the Sovereign can appoint Counsellors of State to whom are delegated certain functions of State.

The Air Raid Precautions Act was a reminder of the threat that might one day have to be faced; storage space was prepared for fuel, food and raw materials. The food rationing scheme was prepared and, late in 1937, Chamberlain appointed the Industrial Adviser to the Bank of England as whole-time chairman of a Committee formed of the country's aircraft producers. Shortage of aircraft was generally agreed to be the most significant lack in the national defence preparations. Churchill continued to urge greater efforts and warn of the dangers to come, while Chamberlain, according to his biographer, Keith Feiling (*The Life of Neville Chamberlain*, Macmillan, p. 318) took vigorous action "within the limits of . . . a rearmament not destructive to general industry."

As the year proceeded differences on policy, later to prove irreconcilable, developed between Chamberlain and Anthony Eden. Mussolini was anxious to obtain from Britain recognition of the Italian conquest of Abyssinia, and Chamberlain was disposed to accord such recognition in order to improve relations between the two countries. Eden's view was that to grant recognition before obtaining a settlement on other issues—Italian intervention in the Spanish Civil War being one of the most important—was to lose a valuable bargaining counter. Eden did not believe in easy concessions. When, in late summer, Italian submarines were active in the Mediterranean and sank a number of merchant ships, Eden inspired a conference of the Mediterranean Powers which opened at Nyon on September 10. Italy would not attend, but as a result of the conference British and French anti-submarine patrols were instituted and the submarine activities soon ceased.

In November Lord Halifax met Hitler at Berchtesgaden and his report of their conversations led Chamberlain to suggest to the French that talks might be opened with Germany on a European settlement. He accepted Hitler's avowal to Halifax that Germany had no intention of promoting war, and even intimated readiness to concede some of the colonial territory in Africa which Hitler desired.

Towards the end of November Anglo-French talks were held

and a first approach to the Italians was reluctantly agreed to by the French. But before the month was out Italy had given notice to leave the League of Nations and had joined the German-Japanese anti-Comintern Pact.

The Foreign Secretary was on holiday when in January, 1938, a secret message was sent to the Prime Minister by President Roosevelt proposing that a conference should be called to discuss means of reducing world tension and to try to open the way for wider talks on disarmament. Chamberlain rejected the proposals because, he explained, he wanted to open conversations with the Italians. These would involve granting *de jure* recognition to Abyssinia as an Italian possession, and a conference such as that proposed by the President might upset such negotiations.

Eden, when he returned from his holiday, was more than surprised by what had happened. The French insisted that any talks with the Italians must include the question of Spain; but when Chamberlain and Eden met Count Grandi, the Italian Ambassador, in London, on February 18, he refused to agree to the discussion of this and other matters, but wanted only general conversations in Rome. Chamberlain was agreeable; Eden was not. Deadlock had been reached. During the next two days anxious efforts were made to persuade the Foreign Secretary not to resign, but on the 21st his departure from the Foreign Office was announced. Lord Halifax succeeded him.

Until the last moment the Cabinet had known little, and the country less, about the dispute between the two men, and the passing of Eden was received with concern in all Parties. Mr. Attlee, in the Commons on February 21, spoke strongly of the effects on world opinion of the Foreign Secretary's resignation.

While this acute state of crisis was in being the new constitution of the Irish Free State had come into force—on December 29, 1937. It altered the name of the Free State to "Eire," made no mention of the King or Great Britain. A Downing Street announcement acknowledged what had happened and the Eire (Confirmation of Agreement) Act, which came into force later, amounted virtually to a complete abrogation of British treaty rights with regard to certain defended Irish ports.

Early in January the Palestine Partition Commission was appointed to examine the report of the Royal Commission which, six months previously, had recommended the division of Palestine into a Jewish State, an Arab State and a mandated territory. The main task of the new Commission was to determine the boundaries for the proposed division between the Jews and Arabs.

So much of frightening significance happened in 1938—the year of Munich—that a brief account of the year is best sustained if the main items of legislation are accounted for at the outset. Important Acts were passed to bring black-coated workers within the scope of the National Insurance Scheme ; to consolidate a mass of factory legislation ; to assist slum clearance and reduce overcrowding ; and, after stiff opposition in the House of Lords, to nationalize coal royalties and permit compulsory amalgamation. It was also in 1938 that the Holidays With Pay Act made it compulsory for many millions of workers to receive paid holidays.

But the ground bass of trouble to come was throbbing throughout Europe, and when he presented the Defence Estimates on March 7 the Prime Minister told the Commons that the figure of £1,500,000,000 foreshadowed the previous year would be exceeded. Even so, behind the scenes Service Ministers were in contest with the Treasury and their estimates were being severely reduced. Then on March 12 Hitler marched into Austria, an action against which Britain formally protested, and in consequence of which a review of the rearmament programme was initiated.

On April 1 it was announced that Britain and America had decided to invoke the “escalator” clause of the 1936 London Naval Treaty—which would enable them to build battleships above the 35,000 ton limit—because of Japan’s failure to give an assurance that she was not building ships that did not conform with the Treaty’s restrictions.

A fortnight later, on April 16, came an Anglo-Italian agreement which did little more than confirm the *status quo* in the Mediterranean and contained a reiteration of promises previously made and broken by Mussolini.

Because of all these stirrings and portents there was increasing concern among some M.P.s about the state of Britain’s air strength, and on May 12, following much criticism of the Air Ministry, Lord Swinton, Secretary of State for Air, resigned. He was to be succeeded by Sir Kingsley Wood. In the Commons there were constant debates on foreign affairs and hundreds of questions were put to the Prime Minister, mostly on Spain, by Labour Members displeased with the Government’s policy and bitterly opposed to Franco.

But by the end of July the deepest anxieties of those apprised of events in Europe were centred on Czechoslovakia. In the Sudetenland portion of the country the Nazi Party leader, Henlein, had for some months been pressing for autonomy of the region.

He had seen Hitler, and there was good reason to fear German violation of Czechoslovakia's independence. France was bound by the treaty of 1924 to aid Czechoslovakia if she was attacked. Russia had an agreement, but Britain was under no such specific obligation.

Runciman was in Prague from August 3 until September 16 to investigate the position and to persuade the Czechs to agree to some compromise with the demands of Hitler and the Sudeten leaders that would avoid war and preserve the integrity of at least part of Czechoslovakia.

While Runciman was in Prague constant contact was maintained between London and Paris, but when on the night of September 13-14 the French proposed a joint Anglo-French approach to Hitler, Chamberlain had already decided on his own course of action. On the 15th he flew to Munich to see Hitler. The outstanding fact of his interview at Berchtesgaden is the impression reported by Keith Feiling (*The Life of Neville Chamberlain*, Macmillan, p. 367): "I got the impression that here was a man who could be relied upon when he had given his word."

Chamberlain returned to London on the 17th, discussions followed with the French, and in the early hours of the 21st the Czech Government was urged to accept the cession of the Sudetenland territories to Germany. It was made clear that if they did not they could expect no military help from Britain or France should Germany march. Czechoslovakia accepted in face of "unheard-of pressure," and on the 22nd the Prime Minister flew to Godesberg, on the Rhine, to agree with Hitler the terms on which cession could be effected. Hitler now insisted that Sudetenland should be occupied by German troops by October 1.

Before he left for home on the 24th the Prime Minister had heard that the Czechs were already mobilizing. On the 25th the Cabinet decided to reject the Godesberg Terms, the French concerned, ordered mobilization, and on the 27th orders were issued to mobilize the Royal Navy. War seemed now a real and imminent probability. Letters passed between Hitler and Chamberlain, and on the 27th came a letter from the Führer offering to join a guarantee of the new Czech frontiers and giving assurances about the carrying out of a plebiscite.

To this Chamberlain replied immediately proposing a meeting between the British, French and Italians; then, in the House of Commons on the 28th, while he was describing the events of the past few days, a note was passed to him from Lord Halifax, who was sitting in the Peers' Gallery. Its contents brought his

speech to a close in an atmosphere of high excitement and newly-born hope.

"I have now been informed by Herr Hitler," the Prime Minister declared, "that he invites me to meet him at Munich to-morrow morning. He has also invited Signor Mussolini and M. Daladier. Signor Mussolini has accepted, and I have no doubt M. Daladier will also accept. I need not say what my answer will be. Mr. Speaker, I cannot say any more. I am sure that the House will be ready to release me now to go and see what I can make of this last effort."

At Munich a memorandum was signed which provided for the evacuation of the Sudetenland by the Czechs, in five stages, beginning on October 1.

An International Commission was to determine the frontiers. But Mr. Chamberlain also obtained Hitler's signature to a document which acknowledged the memorandum "as symbolic of the desire of our two peoples never to go to war with one another again." This was the declaration that the Prime Minister so proudly waved to the waiting crowds when he arrived at Heston from Munich, and which he again fluttered before the people gathered outside 10, Downing Street. "This is the second time in our history that there has come back from Germany to Downing Street peace with honour. I believe it is peace in our time," he said.

A debate followed in the Commons during which Duff Cooper announced his resignation as First Lord of the Admiralty to signify his protest against the Munich Agreement. Churchill also spoke of "the defeat" that had been suffered. Though the House approved by 366 to 144 the Government's policy by which "war was averted in the recent crisis," nearly forty Conservatives abstained from voting.

After Munich the Service Departments all pressed for more money, and, despite Cabinet divisions about speeding up re-armament, a formula was found that permitted greater preparations without undue disturbance to the nation's trade, or such open activity as might draw resentment from Hitler or Mussolini. Chamberlain had also to replace Duff Cooper. He did so by putting Stanhope at the Admiralty. Because of Lord Hailsham's failing health Runciman replaced him as Lord President of the Council. Malcolm MacDonald became Dominions Secretary in place of Lord Stanley, and Sir John Anderson became Lord Privy Seal, with special responsibility for Civil Defence, in place of Earl de la Warr. These changes displeased many Conservatives,

particularly the younger men who had hoped for promotion, and dissatisfaction with the speed of rearmament continued.

Further Ministerial changes in January, 1939, also failed to enhance the Prime Minister's popularity with the disgruntled element among his back-benchers. Lord Chatfield succeeded Sir Thomas Inskip as Minister for the Co-ordination of Defence with W. S. Morrison—ultimately to become one of the most distinguished of Speakers—as his deputy. Inskip went to the Dominions Office and Sir Reginald Dorman-Smith, a former president of the National Farmers' Union, became Minister of Agriculture in place of Morrison.

It was in January that Chamberlain visited Mussolini, a visit from which he returned confident that peace was reasonably secure. Meanwhile the unsettled state of Palestine and the rising flow of refugees from the Jewish persecutions in Germany were increasing Government concern. At a conference in London in February, representatives of Egypt, Iraq, and the Arab world met to discuss the question, failed to agree, and in May the Government announced that the Jews would become a protected minority in an Arab State.

Before this decision was reached much else had happened of import. Franco Spain had been recognized by Britain and France, and early in March there were reports of German troop movements near the Czech border. Concurrently a Nazi-inspired Group among the Slovaks in Czechoslovakia was planning separation of Slovakia from the Czech Republic. On March 15 Hitler's troops marched into Czechoslovakia, and in the Commons that day the Prime Minister declared that the guarantee given to the Czechs by Britain no longer had validity. His excuse was that a declaration by the Slovaks of the independence of Slovakia "put an end by internal disruption to the State whose frontiers we had proposed to guarantee, and His Majesty's Government cannot accordingly hold themselves bound by this obligation."

Two days later, at Birmingham, he spoke in very different terms. He described with indignation Hitler's betrayal of promises, and asked if this last attack on a small State was to be followed by another. It was, though not for a while. The State was Poland. To the Commons on March 31 the Prime Minister announced that Britain and France would support the Polish Government if any action were taken which threatened that country's independence. Consultations on the matter were in progress with a number of countries, he reported. The establishment of the Territorial Army was doubled. On March 27, after considerable prodding by the War Minister, Mr. Hore-Belisha,

in particular, Chamberlain announced the introduction of conscription. Early in April a Bill was introduced to create a Ministry of Supply, of which Leslie Burgin was to become the first Minister. On April 7 Italy annexed Albania. On the 28th Hitler denounced the Anglo-German Naval Treaty and the German-Polish Non-Aggression Pact.

There was now active and positive effort to speed defence preparations. The defence budget for the year was £700,000,000, but a group of Conservatives, among whom Churchill was most prominent, continued to be dissatisfied with the Government's handling of affairs and unsuccessful pressure was made to include Churchill and Eden in the Chamberlain Administration. Parliament rose for the summer recess on August 4—itself a day of fateful memory—to meet again in eight weeks' time unless an emergency occurred. It was only by a majority of 118 that the Government defeated a Labour amendment that the time should be three, and not eight, weeks. The amendment was supported by some Conservatives and backed by the Liberal Leader, Sir Archibald Sinclair, and was a measure of the mistrust with which Chamberlain was viewed by a growing proportion of Members in all parts of the House.

On August 21 the announcement that a Soviet-German Non-Aggression Pact was to be signed surprised the world. Immediately far-ranging orders were given in Britain. All leave was stopped for the Forces; regional organizations were placed on a war footing; reservists were called up. A formal treaty confirming Britain's guarantees to Poland was published on August 25.

Parliament had been recalled on the 24th. That day the Prime Minister introduced the Emergency Powers (Defence) Bill and a series of consequential Bills, all of which were passed the same day or very soon afterwards. On September 1 Germany attacked Poland. A British ultimatum was at once sent to Hitler demanding the withdrawal of his troops. The same day the Prime Minister addressed the House. He did so again on the 2nd, but angered many members by his lack of precise information on what was happening and what was going to happen. Mr. Leo Amery's interjection when Mr. Arthur Greenwood rose from the Labour Front Bench, "Speak for England," was an indication of the feeling that existed. On the following morning, at 11.15, Chamberlain broadcast to the nation that Britain was at war.

CHAPTER ELEVEN

War and Victory

The "Phoney" War—Churchill Becomes Prime Minister—Dunkirk—Battle of Britain—*Daily Worker* Banned—House of Commons Destroyed—Germany Attacks Russia—Atlantic Charter—Pearl Harbour—Common Wealth—Italy Out of the War—Education Act, 1944—Yalta Conference—Germany Surrenders—"Caretaker" Government

IT was not to be expected that Mr. Attlee and Sir Archibald Sinclair would do other than refuse, on behalf of the Labour and Liberal Parties, respectively, to enter a reorganized administration under Mr. Chamberlain ; but Churchill readily agreed to become First Lord of the Admiralty with a seat in the War Cabinet. His fitness for office was too great to be overlooked—a fact he fully recognized himself.

In 1917 Lloyd George had created a small War Cabinet composed of Ministers without Portfolios able to devote their whole attention to the broad strategy and general problems of the war. Because he did not follow this example Chamberlain was heavily criticized. His Cabinet was much larger, consisting of : the Foreign Secretary, Lord Halifax ; the Chancellor of the Exchequer, Sir John Simon ; the Lord Privy Seal, Sir Samuel Hoare ; the Secretary of State for War, Mr. Leslie Hore-Belisha ; the Secretary of State for Air, Sir Kingsley Wood ; the Minister for the Co-ordination of Defence, Lord Chatfield ; Minister without Portfolio, Lord Hankey ; and, of course, Churchill at the Admiralty. Mr. Anthony Eden became Dominions Secretary ; Sir John Anderson was Home Secretary and Minister of Home Security. Both regularly attended War Cabinet meetings. New Departments were created—the Ministries of Shipping, Information and Economic Warfare. The War Cabinet met once or more daily and the national life was slowly adapted to the conditions of war.

There was still a vociferous minority who believed that the war could and should be stopped. The Prime Minister recorded in his diary on September 23 : " Last week 17 per cent. of my correspondence was on the theme of ' stop the war ' . " On October 8 his diary entry reads : " In three days last week I had 2,450 letters, and 1,860 of them were ' stop the war ' , in one form or another . "

By September 28 Germany and Russia had announced the

partition of Poland, and suggestions were made that the Allies might like to consider peace terms. Lloyd George was in favour of considering such proposals seriously. For the tone of his speeches and writing at this time he incurred a measure of strong criticism from those who regarded his attitude as "defeatist."

Up to the turn of the year there was little fighting on the Western Front: activity was concentrated in the sea lanes surrounding Britain. This was the period of the phoney war or, in Churchill's phrase, "The Twilight War." In Britain an absence of urgency, particularly in industry, continued for some while.

In January, 1940, Hore-Belisha was replaced at the War Office by Oliver Stanley because the Prime Minister feared the consequence of the continuing friction between the Secretary of State for War and the Commander-in-Chief in the Field. At the same time Sir Andrew Duncan replaced Stanley at the Board of Trade and Sir John Reith succeeded Lord Macmillan as Minister of Information.

Sir John Simon's Budget in April unmistakably reflected the cost of the war. The standard rate of income tax was raised from 7s. to 7s. 6d., the reduced rate was raised from 2s. 4d. to 3s. 9d. and was extended to cover the first £165 of taxable income instead of the first £135. Beer duty went up 1d. a pint, tobacco duty rose by 3d. an ounce, the duty on matches was doubled and increases were made in postal, telegraph and telephone rates. The Chancellor also indicated his intention to impose a purchase tax.

In the same month came further Ministerial changes. Upon the death of Sir John Gilmour the Ministry of Shipping was taken over by Mr. Robert Hudson. Sir Samuel Hoare, Lord Privy Seal, and Sir Kingsley Wood at the Air Ministry changed places. Lord Chatfield retired from the War Cabinet and, with the creation of a Ministry of Food, Lord Woolton became its Minister.

These changes occurred after the conquest of Finland by Russia in the middle of March, the invasion of Norway and Denmark by the Germans in early April, and amid growing discontent among M.P.s in all parts of the House with the record of the Government in general and of certain Ministers in particular.

The Cabinet was divided on the action to be taken in defence of Norway, which had resisted the German invaders, while the Danes had accepted German "protection." Chamberlain would agree only to a limited enterprise, with the consequence that British help was too small to be effective. The two expeditions were withdrawn on May 2 and the now famous Narvik undertaking ended five weeks later.

What happened in Norway brought matters to a head in the House of Commons. Mounting dissatisfaction with the Government's conduct of the war now reached the point of revolt. On May 7 and 8 the Commons debated the failure of the Norwegian exploit. Churchill loyally and magnanimously sought to save Chamberlain from the attacks hurled at him by accepting personal responsibility for what had happened ; but his well-chosen words failed to conceal that the course of events would have been very different had not the Prime Minister insisted on the line of action that was followed. The debate was one of the most dramatic of the war. Admiral of the Fleet Sir Roger Keyes came to the House in uniform to defend the action of the Navy during the Norwegian campaign, and to blame the Government for not permitting a much more powerful force to be sent.

Later, Lloyd George powerfully condemned the Prime Minister's suitability to continue in office. Early in the debate Mr. Chamberlain had said, "I have got my friends," and had appealed to them for support in the debate. "It is not a question of who are the Prime Minister's friends," Lloyd George commented. "It is a far bigger issue. The Prime Minister must remember that he had met this formidable foe of ours (Hitler) in peace and in war. He has always been worsted. He is not in a position to put it on the ground of friendship. He has appealed for sacrifice. The nation is prepared for every sacrifice so long as it has leadership, so long as the Government show clearly what they are aiming at and so long as the nation is confident that those who are leading it are doing their best. I say solemnly that the Prime Minister should give an example of sacrifice, because there is nothing which can contribute more to victory in this war than that he should sacrifice the seals of office."

Mr. L. S. Amery bitterly attacked Chamberlain's record as Prime Minister in peace and war. He urged the need for a new Administration and ended his speech with Cromwell's words to the Long Parliament—words used by the Protector when he considered it no longer fit to govern the country : "You have sat too long here for any good you have been doing. Depart, I say, and let us have done with you. In the name of God, go."

The Labour Party, by forcing a division on the motion "That this House do now adjourn" turned the debate into an issue of confidence. When the vote was taken the Government had a majority of only 81. More than 30 Conservatives had gone into the Lobby against the Government ; a further 60 had abstained. The Prime Minister realized that the formation of a National

Government was imperative. On May 9 he consulted Mr. Attlee, Mr. Arthur Greenwood, and Mr. Churchill. The Labour Party conference was meeting at Bournemouth at the time, and the Labour leaders said they would have to sound the feelings of the conference before they could agree to serve in an administration under Chamberlain; but they intimated their doubts about an affirmative response.

On May 10 the news reached London that Hitler had invaded Belgium and Holland. The same day the Labour Leaders indicated that they could not serve under Chamberlain. The Prime Minister had only to decide whom he should advise the King to call on in his stead. According to his biographer, Mr. Keith Feiling (*The Life of Neville Chamberlain*, Macmillan, p. 441), his first impulse was to name Halifax, but it was Churchill whom he recommended.

So it was that the great war leader entered into his heritage. Within twenty-four hours he had announced his War Cabinet. Churchill, in addition to the Premiership and the traditional office of First Lord of the Treasury, became Minister of Defence and Leader of the House of Commons; Mr. Chamberlain was Lord President of the Council; Mr. Attlee, Lord Privy Seal; Lord Halifax, Foreign Secretary; Mr. Arthur Greenwood, Minister without Portfolio. With Cabinet rank Mr. A. V. Alexander was appointed First Lord of the Admiralty; Mr. Eden, Secretary of State for War; Sir Archibald Sinclair, Secretary of State for Air.

The new Premier had difficulties to meet in creating his Government. There were Party loyalties, jealousies and pride to fight and overcome. A fair disposition of offices had to be effected. There was Labour criticism of certain Conservative Ministers who were regarded as "Munich Men"—appeasers—among them Halifax, Simon and Hoare. But Churchill would not allow such feelings to prejudice his choice of what he deemed to be a good and experienced team. On May 12 he announced further appointments. Sir John Simon became Lord Chancellor; Sir Kingsley Wood, Chancellor of the Exchequer; Sir John Anderson remained Home Secretary and Minister of Home Security; Lord Lloyd, Secretary of State for the Colonies; Sir Andrew Duncan, President of the Board of Trade; Mr. Herbert Morrison, Minister of Supply; Mr. Duff Cooper, Minister of Information.

The task of creating a new Government continued. On May 13 Mr. L. S. Amery became Secretary of State for India; Mr. Malcolm MacDonald, Minister of Health; Mr. Ernest Bevin,

Minister of Labour and National Service ; Lord Woolton, Minister of Food. On the 14th there were further additions : Lord Caldecote, Leader of the House of Lords ; Mr. Ernest Brown, Secretary of State for Scotland ; Lord Beaverbrook, Minister of Aircraft Production ; Mr. Herwald Ramsbotham, President of the Board of Education ; Mr. Robert Hudson, Minister of Agriculture ; Sir John Reith, Minister of Transport ; Mr. Ronald Cross, Minister of Shipping ; Mr. Hugh Dalton, Minister of Economic Warfare ; Lord Hankey, Chancellor of the Duchy of Lancaster.

The Prime Minister completed his Government on the 15th with the appointment of Sir Walter Womersley as Minister of Pensions ; Mr. W. S. Morrison, Postmaster-General ; Lord Cranborne, Paymaster-General ; Sir Donald Somervell, Attorney-General ; Mr. T. M. Cooper, Lord Advocate ; Sir William Jowitt, Solicitor-General ; Mr. J. S. C. Reid, Solicitor-General for Scotland.

For the next few months Chamberlain took a regular part in the affairs of State, but he became ill in July and on November 9 he died. He was by no means the weak man that some commentators have represented him to be. As Sir Arthur Salter has finely written (*Personality in Politics*, Faber & Faber, p. 85) : "Neville Chamberlain himself was in large measure the prisoner of fate. His strength and his weakness both came from concentration of purpose and narrowness of vision. Within the limits of his outlook and his policy he was not weak, but strong. He was a man of one piece, and his policy was of one piece with himself. He was, for all the apparent weakness of 'appeasement,' in his own substance a man, not of straw, but of iron—tough, sound and true throughout ; inelastic and unimpressionable ; not to be molten to another shape by any but the fiercest of fires ; not fissionable by any force into dynamic energy."

On Monday, May 13, the House of Commons met and gave a unanimous vote of confidence to the new Administration. It did so after the Prime Minister had offered nothing but "blood, tears and sweat." It supported a policy "to wage war against a monstrous tyranny, never surpassed in the dark, lamentable catalogue of human crime" ; it approved a single aim—"Victory."

This sense of unity, this recognition of the discomforts to be faced was soon to be proved necessary. The German advance on the Continent continued ; French armies were falling back. By May 15 Holland had surrendered. On May 22 the Emergency Powers Defence Bill was introduced in the Commons, passed through all its stages, and received the Royal Assent the same day.

It gave the Government almost unlimited powers over the individual. The Ministry of Labour could direct anybody to do any job ; property and businesses could be controlled by the Government ; Excess Profit became liable to tax at a rate of 100 per cent. These and other absolute and sweeping powers that would have been bitterly contested in time of peace were passed by Parliament in a matter of hours.

Belgium fell on May 28, by which time the inevitability of a British withdrawal from Dunkirk had already been foreseen. The "little ships" had begun to take off British troops on the 26th. The Prime Minister warned the Commons on the 28th to prepare itself "for hard and heavy tidings." Meanwhile, the evacuation was proceeding.

When Parliament met on June 4 Churchill described what had taken place in the past few days, foreshadowed what might now happen and closed his speech with what was to become one of his most famous wartime utterances :

"We shall go on to the end. We shall fight in France, we shall fight in the seas and oceans, we shall fight with ever-growing confidence and growing strength in the air ; we shall defend our Island, whatever the cost may be. We shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets, we shall fight in the hills ; we shall never surrender ; and even if, which I do not for a moment believe, this Island or a large part of it were subjugated and starving, then our Empire beyond the seas, armed and guarded by the British Fleet, would carry on the struggle until, in God's good time, the New World, with all its power and might, steps forth to the rescue and the liberation of the Old."

On June 10 Italy declared war on Britain. On the same day the new Chancellor of the Exchequer, Sir Kingsley Wood, introduced the second Budget of the year. The standard rate of income tax rose another 1s. to 8s. 6d. The "Pay-as-You-Earn" system of deducting income tax from wage and salary earners was introduced. There were new consumer taxes, the maximum rate of death duties on the largest estate was raised to 65 per cent. and the purchase tax, foreshadowed by Sir Kingsley's predecessor, was introduced. Luxury goods were to be taxed at thirty-three and a third per cent. of the wholesale value and semi-necessities at twelve and two-thirds per cent.

The military position in France was now rapidly deteriorating, and on the 17th the French Government was seeking an armistice. On July 2 occurred the destruction of ships of the French Fleet

by the British Navy at Oran to prevent them falling under German control. The Prime Minister's report of this incident and his reading of a message that he had circulated to high Government and Service officials against the possibility of the German invasion of Britain now confidently expected, brought the House to its feet. For the first time since he had become Premier, Churchill received from his own side of the House a true demonstration of approval and support. Hitherto, the Labour Benches had always given him the warmer welcome.

With the fall of France, Britain was completely alone in Europe, and on July 19 Hitler suggested that Britain should cease fighting. Diplomatic representations on similar lines were made through various neutral capitals, but in a broadcast on the 22nd the Foreign Secretary dismissed any such possibility. During the succeeding weeks the Battle of Britain was to be fought out, mainly in the skies above Southern England, and Lord Beaverbrook's elevation to the War Cabinet on August 2 was in part a recognition of his work in producing and repairing planes before and during this period. In September, Ernest Bevin also joined the War Cabinet—tribute to his work at the Ministry of Labour.

Following the retirement of Neville Chamberlain on September 30, compelled by ill-health after a serious operation, Sir John Anderson succeeded him as Lord President of the Council and Herbert Morrison left the Ministry of Supply to become Home Secretary in place of Sir John. Sir Andrew Duncan went to the Supply Ministry in place of Herbert Morrison.

By this time, because of air raids, the times of sitting of the Houses of Parliament had ceased to be announced. Both Chambers actually met at 11 a.m. instead of the usual 2.30 p.m., and, as far as possible, business was completed in the early evening to give Members an opportunity of getting home before the bombing began.

One important consequence of Chamberlain's resignation from office was that he followed it by resigning from the Leadership of the Conservative Party. On October 9, at a Party meeting called to elect the new Leader, Lord Halifax presided and proposed Mr. Churchill's election. Sir George Courthope, one of the senior back benchers, seconded, and when the Prime Minister entered the room he was greeted with loud acclamation.

In his speech of acceptance, Mr. Churchill put forward views which he has since expressed with even greater precision and point (*The Second World War*, Vol. II, *Their Finest Hour*, Cassell, p. 439).

"I had to ask myself the question—about which there may still be various opinion—whether the Leadership of one great Party was compatible with the position I held from King and Parliament as Prime Minister of an Administration composed of, and officially supported by, all parties. I had no doubt about the answer. The Conservative Party possessed a very large majority in the House of Commons over all other parties combined. Owing to the war conditions no election appeal to the nation was available in case of disagreement or deadlock. I should have found it impossible to conduct the war if I had to procure the agreement in the compulsive days of crisis and during the long years of adverse and baffling struggle not only of the Leaders of the two minority parties, but also of the Leader of the Conservative majority. Whoever had been chosen and whatever his self-denying virtues, he would have had the real political power. For me there would have been only the executive responsibility."

Chamberlain died on November 9, and on the 12th, in the House of Commons, the Prime Minister paid tribute to his career, and said: "Whatever else history may or may not say about these terrible, tremendous years, we can be sure that Neville Chamberlain acted with perfect sincerity according to his lights and strove to the utmost of his capacity and authority, which were powerful, to save the world from the awful, devastating struggle in which we are now engaged. . . . He was like his father and brother Austen before him, a famous Member of the House of Commons, and we here assembled this morning, members of all parties, without a single exception, feel that we do ourselves and our country honour in saluting the memory of one whom Disraeli would have called 'an English worthy'."

In the following months there were further Government changes. The death of the British Ambassador in Washington, Lord Lothian, on December 12, led the Prime Minister to offer this increasingly vital diplomatic post to Lloyd George. But at seventy-one Lloyd George felt himself too old to take on such responsibility and the choice turned to Lord Halifax. His place at the Foreign Office was filled by Eden: the Chief Whip, Mr. David Margesson, became War Minister, and Mr. James Stuart took over the Whip's Office.

Before the year ended Mr. Churchill made one of his periodic statements to the Commons on the progress of the war. He stressed the seriousness of the "disquieting level of sinkings" due to U-boat activity in the Atlantic, but promised that growing resources would become available to deal with the menace. In

the New Year one of the first acts of the Government was to warn, and then to ban publication of, the Communist *Daily Worker* under Section 2D of the Defence Regulations. This section gave the Home Secretary power to suppress by his own edict, without recourse to the Courts, any paper regarded as systematically, publishing material calculated to foment opposition to the war. This the *Daily Worker* was doing, for until Germany's attack on Russia brought the Soviet Union into the struggle on the side of the Allies, the *Worker* consistently opposed the war. But there was some criticism of the Government for acting under 2D instead of 2C—a section that would have entailed prosecution and which, many people believed, would have been a fairer procedure.

In January, too, came the first hint of the Government's forward thinking about the post-war period. Mr. Arthur Greenwood was made Chairman of a committee of Ministers charged with the task of considering the internal problems that would face the country when the war ended. Shortly afterwards the Determination of Needs Bill became law. This measure, which was warmly welcomed by the Labour Party, substituted for the family needs test a personal Means Test in respect of Assistance Board benefits. Husbands and wives were regarded as recipients of joint income, but earnings by other residents in the house were not to be taken into account when assessing needs. Such was the main change in the Law.

As the weeks proceeded U-boat sinkings increased alarmingly; the Battle of the Atlantic grew in fierceness and gravely threatened the country's welfare, but in March the United States Congress passed the Lend-Lease Bill which made freely available to Britain a great part of the industrial resources of the United States.

The Budget in April reflected for the first time in really full measure the cost to the nation of total war. It was the biggest Budget in British history. The fantastic rate of official spending threatened severe inflation, to meet which the Chancellor sought to raise taxes and at the same time to increase savings. Income tax on incomes over £110 became 50 per cent. for unmarried workers. The same rate was applied to married workers with two children receiving incomes in excess of £270. With surtaxes it became impossible for a man earning £100,000 a year to retain more than £6,000. Compulsory saving was brought about by the introduction of the post-war credits scheme. During the year the Government was to spend no less than £125,000,000 on stabilizing prices.

The Essential Work Order introduced in April fixed wages and

conditions in "essential" industries and precluded workers from leaving or being given notice without permission from the local officer of the Ministry of Labour. Thus a tight control was exercised over the nation's man-power, the need for which was emphasized by the bringing back from other industries of 33,000 former miners so that they could produce urgently needed coal.

In May, Lord Leathers was appointed Minister of War Transport. As such he took charge of the combined Ministries of Transport and Shipping. He proved expert at the task and before the end of June the Prime Minister was able to report to the Commons in secret session that goods were being cleared more quickly at the ports. He did so in a temporary House of Commons—Church House, Westminster—for on May 10 the Commons' own Chamber had been destroyed by bombs.

Further Government changes were to follow. At the end of June, Mr. Oliver Lyttleton was appointed Minister of State with Cabinet rank and went out to Cairo. Lord Beaverbrook, at the same time, became Minister of Supply. In the following month Mr. Duff Cooper was succeeded as Minister of Information by Mr. Brendan Bracken. Mr. Duff Cooper became Chancellor of the Duchy of Lancaster and went out to Singapore to study the situation there against the possibility of aggression by Japan. Meanwhile, Hitler had struck at Russia—on June 22—and the Prime Minister had announced complete British support for the Soviet Union. Thereafter the British Communist Party ceased its attacks upon the Government.

In August the Prime Minister met President Roosevelt in the Atlantic and, out of their meeting, emerged the Atlantic Charter, whose general but honest sentiments encouraged the fighting Allies. The comradeship between Britain and America, which was drawing ever closer, was to be finally joined when, on December 7, the Japanese bombed Pearl Harbour and brought the United States into the war. Parliament was summoned at once, and on the 8th Mr. Churchill informed the Commons that the War Cabinet had authorized an immediate declaration of war against Japan. He subsequently visited Washington and Ottawa, returning early in 1942.

With bad news coming in from most fronts, and particularly from the Far East, the Government was increasingly perturbed about the Indian Congress Party, which was unprepared to co-operate with Britain in defensive measures unless given a promise of independence at the end of the war. Churchill shrewdly chose Sir Stafford Cripps to visit India to present to the Congress

Leaders the terms of a settlement which, if accepted, would give India Dominion status and full autonomy at the end of the war. At first the known sincerity of Cripps, and the respect in which he was held, boded well, but no agreement was reached.

The clamour for a "Second Front" against Hitler in Europe mounted with every week that passed in 1942. It had supporters inside and outside Parliament, but Churchill judged he had not the resources available. The suppression of the *Daily Mirror* was threatened, under section 2D, in March, and again there was criticism that Regulation 2C was not invoked. In mid-June Churchill flew to America to discuss with the President the launching of a new assault on North Africa, but the news from the theatre was particularly bad at the time and on his return to Britain the Prime Minister had to face a hostile House of Commons worried by the North African defeats and perplexed by the absence of any sign that a "Second Front" was imminent. In a division, however, Members' continued approval of their war leader was reflected in a 17-to-1 majority for the Government. A ripple appeared on the political waters in the middle of 1942, when Sir Richard Acland, who had become a convert to Socialism, formed his Common Wealth organization. Its programme has been described by G. D. H. Cole (*A History of the Labour Party*, Routledge & Kegan Paul, p. 409) as "much like the Labour Party's own, but proclaimed as applicable immediately, and not by gradualist stages, and stated in terms of Christian morality with an evangelical fervour that was absent from most of the Labour Party's official pronouncements." The movement was a threat to the Party truce agreed at the outbreak of war. Even within the Labour Party there was a growing feeling against the practice of not contesting any by-election in a constituency previously held by a Conservative, while the Conservatives abstained from by-elections in former Labour divisions, and at the 1942 conference of the Party an Executive resolution favouring the continuance of the practice was only just carried. Meanwhile the clamour for a "Second Front" continued, but in August Churchill had visited Moscow to see Stalin and by mid-November the North African invasion had been mounted, the enemy being beaten back, and Churchill was able to reveal to the nation that while the talk of a "Second Front" had deflected the Germans' attention to their eastern frontiers the Allies had been preparing for their successful North African campaign. In January, 1943, Churchill was off to Casablanca, where, with Roosevelt, General de Gaulle and General Giraud, the entire field of war was surveyed and the decision

taken to fight the enemy to the point of unconditional surrender. On February 11 he reported to Parliament the results of the conference.

If 1943 was to provide steadily improving results in the widely-separated battle areas, it was also to offer growing signs of political differences between the Conservative and Labour Parties; but also legislation that was acceptable to both. Acts were passed to create a Ministry of Town and Country Planning and greatly to extend the powers for planning and controlling development pending the introduction of planning schemes. A new Workmen's Compensation Act extended the provision for the payment of compensation to miners suffering from pneumoconiosis; the War Damage Commission was created to administer and pay claims for war damage when the war was over; new wage scales, conditions and holiday provisions were to follow the creation of the Catering Wages Commission. Further legislation, for which the Socialists had long pressed, was also introduced to extend the Determination of Needs Act, 1941, to cover Public Assistance benefits and to improve conditions relating to supplementary pensions. Yet the maintenance of the electoral truce was becoming more irksome to members of the Labour Party, particularly in face of by-election interventions by Sir Richard Acland's Common Wealth candidates who fought nine seats during 1943 and won one of them from the Government. Of the twenty-two by-elections during the year only one was uncontested. A variety of "Independent" and Liberal candidates stood, in many cases as a protest against the truce, but the Labour Party Executive favoured its continuance. At the Party Conference Mr. Attlee put it to the delegates that to end the truce would endanger the continuance of the Coalition Government and that it was important that Labour Ministers should have a chance to help shape post-war policy. By 2,243,000 votes to 374,000 the conference voted in favour of continuing the truce, for there was no wish at this time to bring down the Coalition. But the resentment against Common Wealth was manifested by the passing of an Executive resolution making "membership of, or association with, Common Wealth incompatible with membership of the Labour Party."

The fall of Mussolini at the end of July, the Anglo-Italian armistice signed on September 3, the "Big Three" Conference at Teheran in November, and a general improvement in the progress of the war were among the major events of a year that was to be the most successful since fighting began in 1939. That

the Germans still held two-thirds of Italy was a matter of disappointment, but 1944 opened, was faced with confidence, and, as it proved, justifiably so.

Although 1944 was to include the launching of the Second Front, and thereafter the tide of battle was to mount steadily in favour of the Allies, it was also a year of profound political importance. Not only the winning of the war was occupying people's minds, but also the problems of reconstruction that must follow the victory. Early in the year was introduced the Education Bill, later to become law and known, in deference to its principal architect, as the "Butler Act." In place of 169 local Education Authorities, local control of education was to be vested in county and county borough councils. There were to be primary and secondary schools and establishments for further education. Religious instruction was to be compulsory in all provided schools. In denominational schools it was to be in harmony with the denominations concerned. These were the main provisions of the measure which was generally accepted with approval by members of all Parties. Not so the Town and Country Planning Act, which conferred on local authorities substantial powers for buying compulsorily land needed for the reconstruction of areas badly damaged by enemy action. Sharp controversy proceeded from the Labour benches on the way in which compensation was to be assessed and paid to owners dispossessed of their land.

The creation of the Ministry of National Insurance was a consequence of the Government's decision on the Beveridge proposals for Social Security published in 1942. The Government had refused to accept all the suggestions, but the new Ministry was to become responsible for the development of an insurance scheme that would comprehend health, unemployment, public assistance, pensions, children's allowances and kindred items.

A measure was passed to ensure that men and women on leaving the armed forces or civil defence would be entitled to reinstatement in the jobs they had left to enter such services. An even more direct reminder of changes to come was the House of Commons (Redistribution of Seats) Act which embodied proposals made by a conference under the chairmanship of the Speaker appointed by the Parliament in February, and whose report was published in the last week of May. Four Boundary Commissions were established to revise constituency boundaries; two-member constituencies were to be abolished; reviews of the constituencies were to take place at intervals of not less than three, nor more than seven, years. One innovation was that the same election

register should be used for both local and parliamentary elections. The general introduction of proportional representation was rejected.

On October 31 the Prime Minister spoke in the Commons on the subject of a general election. After proposing the prolongation of the existing Parliament, Mr. Churchill said it seemed to him "that unless all political parties resolved to maintain the present coalition until the Japanese are defeated we must look to the termination of the war against Nazism as a pointer which will fix the date of the General Election." Later in his speech he declared: "Indeed I have myself a clear view that it would be wrong to continue this Parliament beyond the period of the German war."

In December the Labour Party Conference indicated its election thinking by approving a Manifesto submitted by the Executive which declared that "as soon as possible, having regard to the international situation and to the need of giving the electors, especially those who are in the fighting services, a full and fair opportunity not only of voting, but of appreciating the issues involved, a General Election must take place." The election was to come in just over six months later, but not before legislation had been introduced for the resumption of local government elections—suspended since the outbreak of war—and extending the vote in these elections to women. The Family Allowances Act also came into force before the election, a measure granting five shillings a week for each child, excluding the first. Meanwhile, the Prime Minister was to spend the Christmas of 1944 at Athens; and he met Stalin and Roosevelt at Yalta in February, 1945, to discuss the problems of the peace that was now imminent. The death of the American President on April 12 was a sudden tragedy for the Allies, but the success at arms continued and on April 29 all the German forces in Italy surrendered unconditionally. On May 5 the German forces in North-West Europe did likewise, and on the 7th the German High Command signed the unconditional surrender of its troops everywhere.

Attlee was at San Francisco as a member of the British delegation present for the founding of the United Nations Organization when the war in Europe ended. He returned to London and discussed with Churchill the question of the Government carrying on until the end of the Japanese War, but a decision was finally made after consultation with the Party Executive and leaders, and with the approval of the annual conference then in session at Blackpool.

Only Churchill and a limited circle knew of the existence of

the atom bomb and the likelihood that its use would bring the Japanese war to a speedy end. In the absence of such knowledge it seemed to the Labour Leaders that postponement of an election until the end of the Japanese war might mean a long wait. As there was already an election fever in the Party, Mr. Attlee informed the Premier that an autumn election was desirable, as that would allow time for election issues to be well considered. Mr. Attlee has recorded (*As it Happened*, C. R. Attlee, Heinemann, p. 135) that he sensed "that there was a very heavy pressure from the Conservatives to 'cash in' on victory." The Prime Minister, whether under such pressure or not, rejected the idea of an autumn election, and on May 23 tendered his resignation to the King, who accepted it and at once asked Mr. Churchill to form another Government.

"As the Conservatives still possessed a majority in the House of Commons of one hundred over all parties combined," Mr. Churchill has stated (*The Second World War*, Vol. VI, *Triumph and Tragedy*, Cassell, pp. 515, 517), "I undertook this task, and proceeded to form what I regarded as a National Administration, but which was in fact called the 'Caretaker Government.'"

This Administration, which included National Liberals and non-party Members, was as follows :

Prime Minister and Minister of Defence, Mr. Winston Churchill.

Foreign Secretary, Mr. Anthony Eden.

Chancellor of the Exchequer, Sir John Anderson.

Lord President of the Council, Lord Woolton.

Lord Privy Seal, Lord Beaverbrook.

President of the Board of Trade and Minister of Production, Mr. Oliver Lyttleton.

Minister of Labour and National Service, Mr. R. A. Butler.

Home Secretary, Sir Donald Somervell.

Dominions Secretary, Lord Cranborne.

Secretary of State for India, Mr. L. S. Amery.

Colonial Secretary, Mr. Oliver Stanley.

First Lord of the Admiralty, Mr. Brendan Bracken.

Secretary of State for War, Sir James Grigg.

Secretary of State for Air, Mr. Harold Macmillan.

Secretary of State for Scotland, Lord Rosebery.

Minister of Agriculture, Mr. R. S. Hudson.

These Ministers were members of the Cabinet. Those of Cabinet rank only were :

Lord Chancellor, Viscount Simon.

Minister of Education, Mr. Richard Law.

Minister of Health, Mr. H. U. Willink.

Minister of Supply, Sir Andrew Duncan.

Minister of Aircraft Production, Mr. Ernest Brown.

Minister of Works, Mr. Duncan Sandys.

Minister of Food, Colonel J. J. Llewellyn.

Minister of War Transport, Lord Leathers.

Minister of Fuel and Power, Major Gwilym Lloyd George.

Minister of Town and Country Planning, Mr. W. S. Morrison, K.C.

Minister of National Insurance, Mr. Leslie Hore-Belisha.

Minister of Civil Aviation, Lord Swinton.

Minister of Information, Mr. Geoffrey Lloyd.

Postmaster-General, Captain H. F. C. Crookshank.

Minister of State, Mr. William Mabane.

Minister Resident in the Middle East, Sir Edward Grigg.

Minister Resident in West Africa, Captain H. H. Balfour.

Chancellor of the Duchy of Lancaster, Sir Arthur Salter.

Paymaster-General, Lord Cherwell.

Minister of Pensions, Sir Walter Womersley.

Attorney-General, Sir David Maxwell Fyfe, K.C.

Advocate-General, Mr. J. S. C. Reid, K.C.

Solicitor-General, Sir Walter Monckton, K.C.

Solicitor-General for Scotland, Sir David King Murray, K.C.

Three weeks were to elapse between the commissioning of Mr. Churchill to form a new Government and the dissolution of Parliament. The election was to take place in extraordinary circumstances because of the absence abroad of so many electors serving with the Forces. Detailed arrangements were made for them to receive full details of the election campaign and to record their votes. Accordingly ten days passed after the dissolution before candidates were nominated and ten days later, on July 5, voting took place. Time would be necessary to obtain the votes from Overseas, so the date for the declaration of the ballot was fixed for July 26. Thus ended the wartime coalition, and, as events were shortly to prove, Mr. Churchill's continued leadership of the nation.

CHAPTER TWELVE

The Bloodless Revolution

Labour in Power—Potsdam Conference—The War Ends—Nationalization—Financial Crises—American Loan and Marshall Aid—Independence for India—Devolution—General Election, 1950—Bevanism

THERE was a surprising virulence and acrimony about the war-time election of 1945. The Conservative Party appeal was based on the qualities of its leader. The electorate was asked, in effect, to return to power the man, and his supporters, who had brought the nation successfully through nearly five years of total war. In the Labour Party Manifesto, "Let us Face the Future," there was a precise and clearly-defined policy of political action which comprised the nationalization of the Bank of England, of the coal, transport and steel industries; a National Health Service was promised and there was to be a Ministry of Housing to speed the provision of accommodation.

This programme, in contrast to that of the Conservatives, was unambiguous and direct. It appealed to a mass of voters who still recalled the unemployment and distress of the thirties, which, rightly or wrongly, they associated with "the days of Tory mis-rule." There was also a widespread feeling that Churchill was a wonderful war leader, but that he was not the man to head a peace-time administration and it was for that, despite the lingering war with Japan, that people were to vote.

Churchill unintentionally encouraged their view by the vehemence with which he attacked Labour during the election campaign. His suggestion that under Socialism the country might suffer some form of Gestapo amazed even his own Party, and his attacks on the Chairman of the Party Executive, Professor Harold Laski, were so over-stated that they rallied the Labour ranks more solidly in support of their own Party, and did little to attract the floating vote to the Conservative cause.

The Prime Minister's attacks on Laski were inspired by the Professor's suggestion that Attlee, who, as a possible future Premier, had been invited to accompany Churchill to the Potsdam Conference to discuss with President Truman and Stalin the defeat of Japan and post-war problems in general, should go merely as an observer. Churchill used this remark to suggest that Attlee was

only a tool of the Labour Party Executive who would never as Premier have authority or independence. In fact, Laski made the statement without authority, and the reason for it may well have been that he had unsuccessfully failed to have Morrison substituted for Attlee as Leader of the Party in the election.

The Potsdam Conference began on July 15, and the British statesmen returned from it on July 25 to await the declaration of the poll the following day. The result was surprising to many at the time, though in retrospect it seems less so. Labour, with 394 seats, had a secure majority of nearly 150 over all other Parties and Independent Members. The Conservatives, Unionists and National Liberals totalled 215; the Liberals gained 12 seats, and 19 seats were distributed among I.L.P., Common Wealth, Communist, Irish Nationalist and other Independent candidates.

Churchill felt very keenly his dismissal from the leadership of the nation's affairs, but in face of the overwhelming vote in favour of Labour he could take only one course. On the evening of July 26 he submitted his resignation to the King and advised him to send for Mr. Attlee.

The new Prime Minister was due back at Potsdam. He therefore made only a few Cabinet appointments before going to Berlin with Ernest Bevin, the new Foreign Secretary. On his return the creation of a new Administration was his first duty. Ministers appointed to the Cabinet were :

Lord President and Leader of the House of Commons, Mr.

Herbert Morrison.

Foreign Secretary, Mr. Ernest Bevin.

Lord Privy Seal, Mr. Arthur Greenwood.

Chancellor of the Exchequer, Mr. Hugh Dalton.

President of the Board of Trade, Sir Stafford Cripps.

Lord Chancellor, Lord Jowitt.

First Lord of the Admiralty, Mr. A. V. Alexander.

Home Secretary, Mr. Chuter Ede.

Dominions Secretary and Leader of the House of Lords,

Viscount Addison.

Secretary of State for India, Lord Pethick Lawrence.

Colonial Secretary, Mr. George Hall.

Secretary of State for War, Mr. J. J. Lawson.

Secretary of State for Air, Viscount Stansgate.

Secretary of State for Scotland, Mr. J. Westwood.

Minister of Labour, Mr. George Isaacs.

Minister of Fuel and Power, Mr. Emmanuel Shinwell.

Minister of Education, Miss Ellen Wilkinson.

Minister of Health, Mr. Aneurin Bevan.

Minister of Agriculture, Mr. Tom Williams.

Ministers not in the Cabinet included :

Minister of Transport, Mr. Alfred Barnes.

Minister of National Insurance, Mr. James Griffiths.

Chancellor of the Duchy of Lancaster, Mr. J. B. Hynd.

Postmaster-General, Lord Listowel.

Minister of Pensions, Mr. W. Paling.

Attorney-General, Sir Hartley Shawcross.

Minister of Town and Country Planning, Mr. L. Silkin.

Minister of Food, Sir Ben Smith.

Solicitor-General, Sir Frank Soskice.

Lord Advocate, Mr. G. R. Thomson.

Minister of Information, Mr. E. J. Williams.

Minister of Supply, Mr. J. Wilmot.

Minister of Civil Aviation, Lord Winster.

The new House of Commons brought to fruition the dreams of members of the Labour Movement in the early part of the century. The Parliamentary majority that sat behind Mr. Attlee and his Ministers was conscious of its uniqueness and jubilant in its new-found strength. Across the Chamber sat the dozen Liberal Members to remind the Socialists of the once great Party which they had now firmly, and, it seemed, finally, replaced as the only alternative to Conservatism.

Labour had an agreed and heavy programme to carry through. The task was not shirked and Lord Champion, a former Clerk of Parliament, has estimated (*Parliament : A Survey*, George Allen & Unwin, p. 159) that the speed of legislation increased "from an average of five pages per legislative day during the period 1906 to 1913 to an average of sixteen pages per legislative day in the session 1945-46." There was a steady flow of nationalization measures accompanied by harsh and exacting controversy. A revolution was to be accomplished without the usual accompaniments of revolution: the Welfare State was to be brought quickly and permanently into existence.

As an earnest of the determination with which it intended to utilize its newly-gained authority, one of the new Government's first actions was to pass into law the Supplies and Services (Transitional Powers) Bill which continued for five years most of the wartime technique of Defence Regulations and Orders for which

Churchill had himself to seek Parliamentary approval anew each year. This action was bitterly opposed by the Conservatives.

The Government faced tremendous problems. The dropping of the atom bombs on Hiroshima and Nagasaki were quickly followed by Japan's surrender on August 14, and thereby a total end to the war. Mr. Attlee and his colleagues had then to begin rebuilding an economy geared for war and hopelessly unbalanced for times of peace. Most of the nation's overseas investments had been used up. There was a desperate housing shortage as a result of the bombing. Industrial resources had to be re-adapted to the needs of peace; the men and women from the Services had to be restored to civilian life and employment.

There was awareness of these problems, but not, perhaps, of their depth and extent. What was still less appreciated was the consequences for Britain's economy of an American slump, and the time that would be required to restore productive capacity outside the war industries. Not even the termination of the Lend-Lease programme on August 20, and the consequent negotiations for an American Loan, sufficed to warn of the difficulties that might, and did in fact, come. G. D. H. Cole has commented (*A History of the Labour Party from 1914*, Routledge & Kegan Paul, p. 463): "Even when it became plain that the conditions attached to the Loan would tie Great Britain down to terms of sterling convertibility and trading 'non-discrimination' that it would be sheer impossibility to observe when the time came—and that it would hamper Great Britain greatly in its search for necessary imports to be bound by—most people, including the Government, still met the plain facts with a shrug of the shoulders, rather than with any will to deal promptly with them."

The nationalization of the Bank of England was the first nationalization measure ventured on by the new Government. It justified its action by claiming that such a step would bring the Bank's legal position into conformity with the fact that the Bank's policy had represented that of the Treasury for many years. The Government also wished to obtain control over investment policy to support the five-year programme on which it was embarking. The measure drew less criticism from the Opposition than any other Nationalization Act, the major objection being against a clause allowing the Bank of England to demand information from and issue directions to other Banks. The Bank came under public ownership on March 1, 1946, the Bill having received the Royal Assent on February 14.

The last year of the war was politically a period of tranquillity

compared with 1946. The fighting was now at Westminster. This was to be the year in which the foundations of a Welfare State—begun many years before by Lloyd George and, to a substantial degree, prepared for by the wartime Coalition Government—were to be built upon to an extent, and by methods, which the Conservatives, and sometimes the Liberals, strongly contested. The National Insurance Bill was introduced to provide standard benefits for sickness, unemployment and retirement pensions. Maternity grants, widows' pensions and grants to cover funeral expenses were also to be provided. The National Health Service Bill was a complementary measure designed to provide free hospital, medical, dental and ophthalmic treatment for everybody. Aneurin Bevan conducted this Bill through months of fierce debates on the floor of the House, and at numerous Committees with members of the medical profession and services without whose co-operation the whole concept must inevitably have failed.

Mr. Bevan was also put in charge of housing, the Government having decided not to implement its election promise to create a Ministry of Housing. An appalling shortage of accommodation was to continue for a long time, but Bevan insisted that private builders should erect only one house to every four put up by local authorities. To aid his purpose the Building Materials and Housing Act established a Building Materials and Housing Fund with a grant of £100,000,000 from the Treasury to provide fittings for new houses. Another measure, which was fiercely resented by the Opposition, gave local authorities power, under certain conditions, to give fourteen days' notice to the owner of a site, and if he had not within that time made representations to the Minister, the Ministry could authorize the authority to take possession. The Housing (Financial and Miscellaneous Provisions) Bill provided for joint subsidies to be paid by the Treasury and local authorities to hold down the cost of rents.

Mr. Dalton's first Budget was to reflect the Government's concern for its social services. It provided for the payment of family allowances to begin in August—at a cost of £60,000,000 in a full year—and for an increase in Old Age Pensions as from October to 26s. a week for single persons and 42s. a week for married couples. The earned income allowance was increased to one-eighth on incomes up to £1,200 a year, the personal allowance was restored to the pre-war level, the married woman's allowance was increased from £80 to £110. Purchase tax on some household goods was remitted, and the Chancellor announced that the

Excess Profits Tax that had been operative during the war would be discontinued from January 1, 1947.

Such good news as the Budget contained was offset by the April White Paper, which revealed a dangerous shortage of food arising from conditions abroad for which the Government could not seriously be blamed. But the Food Minister, Sir Ben Smith, resigned, and his successor, Mr. John Strachey, had the unenviable task three months later of announcing bread rationing. Not even during the war had bread been rationed.

Worse was to come, but before the troubles of the latter part of the year are discussed reference must be made to some of the other important nationalization measures introduced in 1946. The Coal Industry Nationalization Act of July vested the ownership and operation of the mines, as from January 1, 1947, in the National Coal Board. This measure would have been far more strongly opposed had not relations between the owners and men been so poor for many years. Moreover, the case for state ownership had been widely canvassed over a long period.

Civil Aviation was nationalized, with effect from January 1, 1947, and on the same date, under the terms of another measure passed in 1946, Cable and Wireless, Ltd., also came under State ownership because, according to Francis Williams (*The Triple Challenge*, Heinemann, p. 108), "the Empire Telecommunications Conference held in the summer of 1945 made it plain that the Dominions were opposed to the continuation of a private Empire Communications monopoly in which they had lost confidence."

As part of the long-term planning, powers were taken under the New Towns Act to establish corporations to be responsible for the creation of new towns in various parts of the country. The Conservatives did not oppose the principle of this enactment, but they did fight the Trades Disputes and Trades Union Bill which, by repealing the Trades Disputes Act of 1927, enabled local authorities to enforce membership of a trade union upon their employees.

The end of the Government's first full year in office, though it marked the passage of a substantial part of Labour's nationalization programme, was in other respects gloomy. Attempts to resolve difficulties with Egypt over a renewal of the Anglo-Egyptian Treaty of 1936 had been unsuccessful. Efforts to settle the Palestine question remained unsolved, and the Cabinet Mission that had gone to the Indian sub-continent to discuss a working constitution to which the Moslem League and the Congress Party could agree had been able to reach no final agreement.

At home an extremely severe winter seriously interfered with

the nation's transport, in consequence of which coal supplies fell short. This affected the electricity and gas services. On February 10, 1947, it was announced that supplies of power and gas would be curtailed for several hours each day. The effects on industry were grave, and at Manchester, on February 15, Mr. Attlee declared: "This shortage of stocks in winter must never occur again." The Fuel Minister, Mr. Shinwell, lost his seat in the Cabinet as a result of the crisis and in token of his Department's failure properly to assess the position of coal stocks and supplies.

One immediate effect of the fuel crisis was to force the abandonment of the housing programme for 1946-47 of 240,000 houses. Worse was to come. In the Government's Economic Survey published on February 22, an adverse balance of trade of £450,000,000 was revealed. By the end of the year, said the Survey, the Government wished to export 140 per cent. of the 1938 export level; but its wish proved vain.

Meanwhile, on February 14, a Conference between Britain and the Arab States in London had ended with the rejection of the Foreign Secretary's plan for five years' British administration in Palestine with a gradual transfer of power to local, democratically-elected assemblies. The matter was referred to the United Nations, who in May appointed a Committee to consider the problem. In September a majority of the Committee was to recommend partition of Palestine, which the Jews accepted. A minority report proposed the creation of a Federal State. The Arabs rejected both proposals, and the Colonial Secretary subsequently informed the United Nations of Britain's determination to leave Palestine and terminate the mandate. Mr. Bevin later named May 15, 1948, as the earliest date. This was the second occasion on which Mr. Bevin had had to confess to failure, for on January 27, 1948, he had to announce the breakdown of the Anglo-Egyptian Talks on treaty revision whereupon Egypt appealed to the United Nations to order the withdrawal of British troops from Egypt.

One positive achievement in the foreign field was the signing on March 4 of the Dunkirk Treaty between Britain and France by which both nations pledged themselves to help each other in the event of German aggression. In April, Dalton was able to reveal a Budget surplus of £269,633,000, but this was largely due to the sale of war surplus stocks. The only direct dollar saving expedient was the imposition of an extra 50 per cent. tax on American tobacco, yet in May the Chancellor was to announce that Britain's war debts amounted to no less than £3,000,000,000.

Despite the "freezing" of some of these debts, a run on sterling began that was to have serious consequences within a very short time.

The re-naming of the Dominions Office as the Ministry of Commonwealth Relations on July 2 was an acknowledgment of the changed and changing relationship between Britain and the other parts of what it was now less popular to call "the Empire"; but its significance was to be overshadowed by the new crisis that was impending. On July 15 Britain's agreement with America that sterling should become freely convertible into any currency came into operation. According to Francis Williams, the consequences of convertibility were not foreseen even up to the last minute by either the Chancellor or his advisers at the Treasury and the Bank of England. Mr. Williams has stated (*The Triple Challenge*, Heinemann, p. 167): "I myself was assured by officials almost up to the last minute that although the position would be difficult, it would not be critical, that adequate undertakings had been received from all countries with current claims on sterling that they would not convert their pounds into dollars except as a last resort, and that in any event the degree of multilateral trade was already such that it would be some months before the full effects of convertibility, and the full extent of the additional drain upon Britain's dollar reserves arising from it, were known."

What actually happened differed greatly from these prognostications. On August 6 and 7 the state of the nation was anxiously debated in the Commons. It was announced that imports of food, films and tobacco from the United States were to be cut. New export targets were fixed. The Government wanted, by the middle of 1948, to export 143 per cent. of the average monthly volume of 1938 and 164 per cent. of that average by the end of 1948.

Mr. Attlee announced on August 6 that the Government had decided "to reimpose the control over the engagement of labour which was almost universal during the war, but has since been removed from all industries except coal-mining, building and agriculture." This return to the war-time practice of directing labour, which was to come into force some two months later, was bitterly resented even by members of the Labour Party, but according to Ivor Bulmer-Thomas, himself an erstwhile Labour M.P. (*The Socialist Tragedy*, Latimer House, Ltd., p. 134): "the grim facts of economic life forced the Government's hands."

Before August was out the convertibility clause of the Anglo-American Loan Agreement had been suspended, and it had been revealed that the bulk of the loan had already been spent. Under

mounting condemnation from the Opposition, further steps to meet the crisis were taken. A Commonwealth Conference met in London in September to consider what action the Dominions could take to reduce dollar expenditure and help the United Kingdom, and on the 29th Sir Stafford Cripps was appointed Minister of Economic Affairs to unify the nation's economic policies.

In the meantime one hopeful development had occurred. On September 22 Britain and fifteen other European States signed a report outlining the assistance they needed in response to the far-seeing speech of Mr. Marshall, the United States Secretary of State, at Harvard, in June. He had then declared that Europe could not afford to pay for all its requirements, and had hinted that if a programme of needs could be drawn up America might be prepared to find the money. Mr. Ernest Bevin had seized on the proposal, and though the Russians persuaded their satellite countries to ignore the Plan, the free nations of Europe co-operated. As a result of their September report the United States was subsequently to provide millions of dollars for the re-development of the war-torn economies of Britain and Western Europe.

An Emergency Budget was found to be necessary, but after he had introduced it on November 12 Dalton immediately resigned because, in the Lobby before his Budget speech, he had intimated something of his intentions to the Lobby Correspondent of a London evening paper, and the information had forthwith appeared. Food and clothing subsidies were retained, Purchase Tax on many articles was increased, the price of beer and spirits was raised and the profits tax was doubled.

Dalton was succeeded as Chancellor by Cripps, but there was also a general Government re-shuffle. Mr. Harold Wilson became President of the Board of Trade in succession to Sir Stafford Cripps, Philip Noel-Baker was the new Secretary of State for Commonwealth Relations; George Tomlinson had succeeded Miss Ellen Wilkinson as Minister of Education, following her death in February, 1947. George Strauss was the new Minister of Supply and Shinwell the Secretary of State for War.

It was hardly surprising that in the borough council elections which followed the crisis the Conservatives made sweeping gains, though in a Parliamentary by-election at Gravesend, where Sir Richard Acland stood for the first time as a Socialist, he won the seat. He did so notwithstanding that the vacancy had been caused by the expulsion of a Labour Member, Garry Allighan, for "aggravated contempt of the House" and a "gross breach of

privilege," in that he had disclosed the private proceedings of private Party meetings to an evening newspaper.

The economic crisis which overshadowed so much of the year was not allowed to interfere with the Government's nationalization programme, nor with the general flow of legislation. By the Cotton (Centralized Buying) Act a Raw Cotton Commission took the place of the free enterprise Liverpool Cotton Exchange and exercised a monopoly of buying and importing into Britain of all raw cotton. The Town and Country Planning Act contained a fiercely-contested provision for the creation of a Central Land Board, in which were vested all development rights in land. Land could only be sold at its site value, but if it was thereafter developed, the increased value of the site that resulted had to be paid, in the form of a development charge, to the Board. The Transport Act brought into effect the Government's plans for State ownership of a major part of the nation's transport services. The British Transport Commission was created with subsidiary Executives, and the whole railway system was vested in the Commission. Private road hauliers could no longer operate beyond a radius of twenty-five miles from their centre, nor more than forty miles within that radius. The aim of the Government was to create an integrated transport system for the country.

Because there was already a wide measure of municipal ownership of electricity undertakings, the opposition to the nationalization of electricity, which was also accomplished in 1947, was less strong than it might otherwise have been. The generation and distribution of power was vested, as from April 1, 1948, in the British Electricity Authority which was then to supply area boards who would distribute current to the consumers.

The intention to nationalize the iron and steel industry was foreshadowed in the autumn by the introduction of the Parliament Bill which reduced from three years to two the power of the House of Lords to veto legislation. The nationalization measure was not to be introduced until 1948, and under the terms of the Parliament Act of 1911 could not become law in less than three years. As it had not been introduced by the end of 1947 and because there would have to be an election in 1950, it was not possible for the Government to nationalize the industry within its term of office merely by bringing forward a Bill to do so. Hence the Parliament Bill which, in addition to its amendment of the 1911 Act, was designed to have a retrospective effect. After the rejection of the Steel and Parliament Bills by the Lords in two successive sessions—which the Government expected—both Bills would become law.

In the foreign field the most serious development of the year was the extension of Russian power over the nations of Eastern Europe and the Soviet Government's refusal to agree on the future of Germany. After fruitless attempts to concur with the Russians on the unified control of Germany, Ernest Bevin told the House of Commons on December 18, "We cannot go on as we have been going on." It was a comment prophetic of the deeper divisions that were to arise.

The year was remarkable for the proof it gave to the world that the Imperialism, so pre-eminently a feature of British policy at the turn of the century, was so no longer. During 1947 the partition of India and Pakistan and their emergence as sovereign dominions became a fact, Ceylon assumed Dominion status and Burma became an independent republic. Mr. Attlee's pronouncement in 1946, "We wish to retain no unwilling peoples within the Commonwealth," had been sincerely uttered. His assertion that the British would quit the Indian sub-continent in 1948, whatever happened, had hastened a settlement, though at the cost of horrible and bloody atrocities, between the Indians and the Pakistanis.

Closer co-operation with the free nations of Western Europe was the keynote of British foreign policy during 1948. As a result of Anglo-French economic talks in January, Ernest Bevin urged the creation of a Western Union between Britain, France, Belgium, Holland and Luxembourg. This was to find practical expression in the Brussels Treaty for mutual defence signed on March 17. The Organization for European Economic Co-operation, which came into existence in April, was the body through which Marshall Aid from America was to be distributed and the need for such aid, from Britain's standpoint, was emphasized in two White Papers, published in February, which declared that at the current rate of spending the nation's gold and dollar reserves would be exhausted within a few months.

Urgent appeals were made for wage restraint, but with little success. Engineers, railwaymen and post office workers all succeeded in obtaining more money. Further subsidies were provided to keep down the cost of food, and for 1948-49 these cost £485,000,000. Sir Stafford Cripps gave some relief to earned incomes and the small taxpayer in his April Budget, but imposed a graduated tax on unearned income which, taken in conjunction with existing income tax and surtax was, in effect, a capital levy. The Chancellor described it on April 6 as a "once-for-all levy."

Industrially there was widespread unrest, with a series of

unofficial strikes in a number of coalfields and dock strikes in London and other ports during the summer which seriously affected the export drive. And when the annual reports of the newly-nationalized industries began to appear, all showing heavy deficits, the Opposition took every opportunity of ascribing the losses to the fact of nationalization.

But there was to be yet another nationalization measure passed in 1948—that dealing with the gas industry—and while it was under discussion considerable criticism was made of the Government's refusal to allow the profit-sharing schemes which operated in the gas industry under private and municipal ownership to continue under State control. Indeed, there were so many events of importance during the year that it is difficult to try and account for them briefly without losing something of their significance. Some idea of the troubled scene is best given by a short recital in roughly chronological order of major developments other than those already mentioned.

In mid-March the Prime Minister announced that no persons known to have Communist or Fascist associations would be retained in work vital to the security of the State. In May came the resignation of Sir Charles Reid, a member of the National Coal Board, followed by others who were dissatisfied with the manner in which the industry was being run. On June 1 Mr. Dalton returned to the Government as Chancellor of the Duchy of Lancaster, and in the same month the Lords rejected the Criminal Justice Bill which abolished the death penalty for murder. They subsequently refused to consider an amendment introduced when the Bill was reconsidered in the Commons. The Government had not committed itself rigidly to support the no-hanging clause, so the clause was dropped ; but for a period of months the Home Secretary reprieved murderers sentenced to death. Thereafter, normal practice was restored.

Bread was derationed on July 25 ; a larger sugar ration at the end of the year was promised ; preserves were taken off the ration ; footwear could be bought without coupons, and other concessions were made in respect of clothes. With the coming into force of the British Nationality Act on July 30 a new principle of citizenship was created by which, parallel to the status of a British subject, a citizen status relating to the other Dominions and Colonies was brought into existence. The East African ground-nuts scheme, on which more than £35,000,000 was to be spent before the decision was taken in 1951 to "write off" the scheme, also began in 1948.

The Representation of the People Act abolished the separate representation of the Universities and the City of London, did away with the business vote and provided for a redistribution of Parliamentary seats. The Monopolies Act aimed to check monopolies and restrictive practices ; measures were introduced to improve the welfare of children deprived of normal home life, and to extend free legal aid and advice to persons of limited means.

Against all this welter of domestic activity was set the threatening growth of Soviet intransigence especially over Germany. The divisions between Eastern and Western Europe grew sharper as the year progressed, the Russians blockaded Berlin, and by the middle of the year the Berlin Airlift had been brought into being by the Allies to sustain the people of Western Berlin. In Malaya, too, the Communists began what was to prove a long campaign of terrorism and destruction ; in Palestine the State of Israel was brought into existence amid continuing strife and disorder.

By the end of the year Parliament and people were concentrating their attentions on the Steel Nationalization Bill, and on the proceedings of the Lynskey Tribunal set up to investigate charges of corrupt practices involving Ministers and public servants, as a result of which John Belcher, a junior Minister at the Board of Trade, and George Gibson, a Director of the Bank of England, were to resign their appointments.

Before the close of 1948 the one-year period of conscription had been raised to eighteen months, steps had been taken to revive the Civil Defence Service, and a measure of rearmament foreshadowed.

By 1949 the only major nationalization measure uncompleted was that concerning iron and steel. Experience of the working of State ownership in other industries had led even some Socialists to doubt the wisdom of proceeding with this final measure, particularly as the industry had an excellent record of labour relations, efficiency and productivity. But the Government, committed to nationalization, would do no more than accept the compromise of postponing the vesting date until January 1, 1951 (with a further postponement at the Minister's discretion until January 1, 1952).

The earliest date at which the Iron and Steel Corporation could be set up was October, 1950.

Acceptance of this compromise by the Government on November 16, 1949, meant that a general election would intervene before the State could take over the steel industry.

But this is to leap ahead too quickly. Before the decision on

steel was taken, and before the coming election began to dominate the political scene, the tortuous and unfolding pattern of the post-war years was to be still further revealed in foreign affairs by the signing of the North Atlantic Treaty in which Britain, America, Canada, France, Italy, Portugal, Iceland, Norway, Denmark, Holland, Belgium and Luxembourg promised mutual assistance against armed attack and peace-time co-operation in plans for supplies and strategy. The Council of Europe was also created to provide a forum, without executive authority, for the free nations of Western Europe to discuss matters of mutual concern.

At a Commonwealth Conference in London during April a formula was devised by which India accepted the Crown as a symbol of the free association of the Commonwealth, but confirmed that India would be a sovereign and independent republic.

The Ireland Bill, published on May 5, declared that Eire would cease to be a British Dominion on April 18, but would not be a foreign country for the purpose of any law in force in the United Kingdom or the Colonies. This measure brought nearer to an end than any before it the strain and tension that for so long had characterized Anglo-Irish relations.

Although the Chancellor budgeted for a £14,000,000 surplus, the economic position was still far from good. The flow of gold and dollars continued, savings were much lower than was desirable and production costs remained high. As the gold and dollar reserves fell, despite reduced imports from the dollar countries, there were growing signs of a new financial crisis; but on July 6 Sir Stafford Cripps denied any intention to devalue the £.

Then on September 18 the Chancellor broadcast to the nation the news that the £ had been devalued, the simple cause for such action being that the sterling area as a whole could not export enough goods and services to pay for all the imports required at the then ruling rate of exchange. Plans for reducing Government and capital spending, for increasing exports to the dollar area, were prepared. The Opposition called for an early election, but Mr. Attlee announced on October 13 that he had decided "not to advise His Majesty to dissolve Parliament this year."

On January 11, 1950, it was announced that Parliament would be dissolved on February 3, and that polling would take place on the 23rd. All the Parties had been preparing for an election for some months. Their programmes and policy statements were ready. Labour's Manifesto, "Let us Win Through Together," appeared first. The sugar and cement industries were to be

nationalized ; insurance was to be mutualized. Much attention was paid to agriculture and promises made for improved amenities for the country. Rationing, price control and subsidies were cited as means of keeping down the cost of living.

"This Is The Road," the Conservative Manifesto, called for cuts in Government spending, the ending of bulk buying of food and raw materials by Government Departments. Nationalization was to be stopped. The Iron and Steel Act would be repealed, the nationalization of road transport would be halted, the mines and the railways would be decentralized as far as possible, direction of labour would be ended. The maintenance of full employment was to be "the first aim" of a Conservative Government.

H. G. Nicholas has made an interesting comment on the two manifestoes (*The British General Election of 1950*, Macmillan, p. 119) :

"Perhaps the most striking feature of 'This is the Road' was its overlap in substance, though not in form, with 'Let Us Go Forward Together.' The acceptance by both Parties of the Welfare State led sometimes to a competition in the conferring of favours on the electorate. Each emphasized the need for greater and cheaper production. Though Labour dwelt on the dangers of private ownership, and Conservatives on those of public ownership, they agreed that both forms were here to stay and that the problem was to make them as efficient as possible. Each, for reasons both of State and of campaigning, sought to foster the domestic producer. Abroad they had little to say of the future and did not seriously differ about the past. Their differences were in fact often differences only in attitude and emphasis, though they were none the less real enough to make the ensuing battle keen and close."

The Liberal Manifesto was entitled "No Easy Way." As the Party was to put 475 candidates in the field in a bid to gain bigger representation in the Commons, the manifesto began with the claim that the Liberal Party offered the electorate the opportunity of returning a Liberal Government to office. Cuts in Government spending were demanded, the reduction of bulk buying and of controls ; the Steel Act would be repealed, road transport freed and the other nationalized undertakings would be decentralized. The breaking of monopolies, ending of restrictive practices and of the direction of labour were emphasized. Distinctive features of the manifesto were the advocacy of proportional representation, reform of the House of Lords, Parliaments for Wales and Scotland, a new Bill of Rights to operate in Britain and the Colonies, and a

return to the system of contracting in by trade unionists for the payment of the political levy.

Although the election campaign was quiet—Mr. Churchill in one speech described it as “demure”—the turn-out was greater than ever before. Nearly 84 per cent. of the electorate voted. Labour gained 315 seats, the Conservatives and National Liberals 298, the Liberals nine, and there were two Irish Nationalist successes. It was a surprising result. The Labour majority had been reduced to a handful; the Liberals had been almost contemptuously dismissed by the electorate. Of their 475 candidates 319 lost their deposits. Independent candidates also fared ill. The Conservative result owed much to Lord Woolton’s reorganization of the Party machine following the *débacle* of 1945. The general reaction was that the election had proved the equal division of the country’s allegiance as between Conservatives and Socialists. These, it was felt, were the only two parties that mattered, because, after all, the two-party system was traditional in Britain. Yet it was 100 years since the two sides of the Commons had been divided by so narrow a majority.

In the new circumstances that faced it the Government could not introduce whatever legislation it wished with the certainty that it would be carried. With a majority over all other parties of only six it had to impose a tight discipline on its back-benchers. Their constant attendance at Westminster was essential. Nevertheless, on March 29, after a debate on the Government’s policy in regard to petrol supplies and the inferior quality of coal supplies the Government was defeated by 283 votes to 257. There were also to be a number of very close votes in which the Government only just managed to win in the Division Lobbies.

In the Budget the lower rates of income tax were reduced from 6s. to 5s. and from 3s. to 2s. 6d. Increased petrol duty raised the price from 2s. 3d. to 3s. a gallon; purchase tax of thirty-three-and-a-third per cent. was imposed on commercial vehicles and the housing programme for 1950-52 was to be at the rate of 200,000 a year, a reversion to the rate of completion envisaged in 1949 before cuts in the programme were announced in the autumn. A retrospective tax was to be made on payments by companies to high executive officers under a restrictive covenant. The Chancellor had warned in April, 1948, that such legislation might at some time be introduced and the new proposal would have affected payments made before his warning. The Government ultimately agreed that the tax should only apply to payments made after the Chancellor’s warning of April, 1948.

During the early months of the year the orders providing for direction of labour were abolished, a few days later some 40 per cent. of controls on property development were lifted, on the 22nd control over steel allocations was ended, and on June 13 certain classes of property development were exempted from liability to the much-criticized development charge.

Apart from the coming into force of the Iron and Steel Act, 1950 was not a year in which a great deal of legislation of a new or controversial kind was introduced, but on October 10 the Commons returned to the new Chamber built to replace the one that had been destroyed.

The outbreak of the Korean war in June helped to emphasize and draw attention to deficiencies in the nation's defence preparations, and when on September 12 Mr. Attlee formally proposed measures for strengthening the armed forces it was supported by the Opposition and passed without a division. Some Labour Members viewed the increase in rearmament with alarm. They realized that heavy expenditure on defence would not enable the Government to achieve the easement of taxation that might help to lower the high cost of living. Meanwhile, discontent about living costs was growing, and at the Trade Union Conference and the Labour Party Conference the policy of wage restraint, which the Government had always anxiously supported, was cast aside.

The serious deterioration in international affairs was emphasized by the Prime Minister's announcement on January 29, 1951, that defence expenditure in the coming year would be about £1,300,000,000, and that during the next three years the nation's defence expenditure might reach £4,700,000,000, excluding the stockpiling programme. In January, too, the decision to call up Z Class reservists was announced.

Aneurin Bevan, who had transferred from the Ministry of Health to the Ministry of Labour, defended the Government's rearmament programme in a Defence debate in February. His action was soon to prove ironical for the Chancellor, now Mr. Hugh Gaitskell, was to impose charges for false teeth and spectacles as part of his programme of saving public money to pay for the gigantic arms programme—with fundamental consequences for Mr. Bevan.

The former Health Minister became aware of the Chancellor's intention, and at Bermondsey on April 3, a week before the Budget, he declared: "I will never be a member of a Government which makes charges on the National Health Service for the patient." Whether or not this was an attempt to dissuade the Cabinet from

proceeding with the proposal, the charges were announced. Mr. Gaitskell had to find £4,197,000,000, of which £1,490,000,000 would be accounted for by defence preparation. Social Services and food subsidies would demand £1,615,000,000, an increase of £26,000,000 on the previous year. The standard rate of income tax was raised from 9s. to 9s. 6d. ; lower rates were increased from 2s. 6d. to 3s. and from 5s. to 5s. 6d. The marriage allowance was raised from £180 to £190 and the child allowance from £60 to £70. Purchase tax on some household articles was abolished, but was increased from thirty-three-and-a-third to sixty-six-and-two-thirds per cent. on motor vehicles, wireless sets, television, washing machines and refrigerators. Entertainments taxes were raised, Petrol Tax was increased by 4½d. a gallon, and the Profits Tax on distributed profits was increased from 30 per cent. to 50 per cent. There were increases in retirement pensions, the allowances for widows with children, and child allowances for unemployed and sick were raised. And the Chancellor also announced that patients would have to pay half the cost of spectacles and teeth.

The weekly, *Tribune*, which was then edited by Miss Jennie Lee, Bevan's wife, and Mr. Michael Foot, M.P., carried in its issue of April 20 a violent attack on the Budget. Three days later Mr. Bevan's resignation from the Government was announced, but an exchange of correspondence between himself and the Prime Minister revealed that the differences with the Government extended beyond the issue of Health Service charges to cover the whole basis of rearmament finance, and, indeed, rearmament itself. Mr. Harold Wilson, President of the Board of Trade, and Mr. John Freeman, Parliamentary Secretary to the Ministry of Supply, also resigned on the same issue.

The divided views that existed within the Party were now openly exposed to the electorate. Mr. John McGovern, Labour Member for Glasgow, Shettleston, said in his constituency on April 29 : "The Bevan-Wilson-Freeman crisis did not happen just a week ago. There has been a struggle going on since Aneurin Bevan took a strong stand on the Steel Bill issue. Since then I have watched closely the two forces in the Government struggling for mastery on policies diametrically opposed to one another—timidity in Herbert Morrison and aggressiveness in Aneurin Bevan."

While the internal dissensions of the Labour Party were becoming more apparent Mr. Herbert Morrison, who had succeeded to the Foreign Office in March following Mr. Bevin's appointment as Lord Privy Seal, was actively occupied with a variety of matters. The decision was taken to end the state of war with Germany,

negotiations for a revision of the Anglo-Egyptian Treaty dragged on unsuccessfully and attempts to settle the differences caused by Persia's nationalization of the Anglo-Iranian Oil Company continued for many months without a settlement being reached.

As the year progressed wages continued to rise, exports failed to keep pace with imports and the gold and dollar reserves continued to fall. A Ministry of Materials was created in June to deal with the raw materials situation, but an atmosphere of disillusion developed in face of the continuing high cost of living, the seeming impossibility of bridging the dollar gap and the mounting threats to world peace reflected primarily by the unco-operative attitude of the Soviet Government. These facts, and the heavy strain on Labour Members of regular attendance at Westminster, necessitated by the Government's small majority, led Mr. Attlee to decide on an early election.

On September 19 the Prime Minister told the nation in a broadcast after the 9 p.m. News that Parliament would be dissolved on October 5 and that the election would take place on the 25th. This meant that the Labour Party Conference due to take place at Scarborough in October would become a pre-election rally. To adapt Churchill's phrase, the end of the beginning of the first post-war phase in British politics was near. After its first prolonged period in power, during which it accomplished much and transformed the basis and form of life in Britain, Labour was about to see its power taken over by the Conservatives.

CHAPTER THIRTEEN

Doing and Undoing

Conservatives Win 1951 Election—George VI Dies—Labour Party Dissensions—Japanese Peace Treaty—The Commonwealth—Korean Armistice—Conservative Revolt—Commercial Television—More Money for M.P.s—Inflation—Sir Winston Churchill Retires

WHEN Winston Churchill became First Lord in the early days of the Second World War a signal was flashed from the Admiralty to His Majesty's ships at sea, "Winston is Back." The same phrase was used many times when the results of the second election in 1951 showed that the Conservatives had a majority of 24 over the Labour Party and of 17 over all Parties. It was a slender majority, slightly more workable than that of the preceding Government; but it was to prove large enough to support the new Administration for nearly four years.

The Prime Minister announced his new team on December 31 :

THE CABINET :

Secretary of State for Foreign Affairs, Mr. Anthony Eden.

Lord President of the Council, Lord Woolton.

Lord Privy Seal, Marquess of Salisbury.

Lord Chancellor, Lord Simonds.

Leader of the House, Mr. H. F. C. Crookshank.

Home Secretary and Minister for Welsh Affairs, Sir David Maxwell Fyfe.

Chancellor of the Exchequer, Mr. R. A. Butler.

Secretary of State for Commonwealth Relations, Lord Ismay.

Secretary of State for the Colonies, Mr. O. Lyttelton.

Secretary of State for Scotland, Mr. J. G. Stuart.

Secretary of State for Co-ordination of Transport, Fuel and Power, Lord Leathers.

Minister of Health, Mr. H. F. C. Crookshank.

Minister of Labour and National Service, Sir Walter Monckton.

Minister of Housing and Local Government, Mr. H. Macmillan.

President of the Board of Trade, Mr. Peter Thorneycroft.

Paymaster-General, Lord Cherwell.

MINISTERS NOT IN THE CABINET :

Chancellor of the Duchy of Lancaster, Viscount Swinton.
 First Lord of the Admiralty, Mr. J. P. L. Thomas.
 Secretary of State for War, Mr. A. H. Head.
 Secretary of State for Air, Lord de L'Isle and Dudley.
 Minister of Transport and Civil Aviation, Mr. J. S. Macclay.
 Minister of Supply, Mr. Duncan Sandys.
 Minister of Food, Major G. Lloyd-George.
 Minister of State, Mr. Selwyn Lloyd.
 Minister of State for Colonial Affairs, Mr. A. T. Lennox-Boyd.
 Postmaster-General, Earl de la Warr.
 Minister of Works, Mr. D. M. Eccles.
 Minister of National Insurance, Mr. O. Peake.
 Minister of Fuel and Power, Mr. Geoffrey Lloyd.
 Minister of Pensions, Mr. D. Heathcoat Amory.
 Attorney-General, Mr. L. F. Heald.
 Lord Advocate, Mr. J. L. M. Clyde.
 Solicitor-General, Mr. R. E. Manningham-Buller.
 Solicitor-General for Scotland, Mr. W. R. Milligan.
 Minister of Agriculture and Fisheries, Sir T. L. Dugdale.
 Minister of State for Economic Affairs, Sir A. Salter.
 Minister of Education, Miss F. Horsbrugh.
 Minister of State, Scottish Office, Earl of Home.

One feature of the new administration was the appointment of co-ordinating Ministers, or "Overlords," as they were quickly termed, to co-ordinate the work of Departments performing kindred functions. Lord Leathers, for example, was described as the Secretary of State for the Co-ordination of Transport, Fuel and Power. These Ministers were appointed to integrate the policies of Ministries whose activities had a special bearing on the economic life of the country. The experiment did not prove successful and was ultimately discontinued.

Another departure from precedent was the appointment of a Minister for Welsh Affairs in fulfilment of an election promise that the Conservatives would appoint someone of Cabinet rank—in this case the Home Secretary, Sir David Maxwell Fyfe—to represent Wales in the Government.

In the first week of the new session it was announced that Ministers' salaries were to be cut and that the provision of official transport for members of the Government and Departmental

officials would be reduced. The Government was to embark on a policy of austerity. The economic crisis from which the country was suffering ruled out the introduction of controversial legislation, but determination to proceed with denationalization of steel and transport was reaffirmed.

The new Minister of Housing, Mr. Harold Macmillan, promised in January that the housing programme would be expedited, and foreshadowed the easing of restrictions on building. By the end of the year he was able to announce that 235,000 houses had been built. In January, too, the Commonwealth Finance Ministers met in London. They agreed on the tightening of credit to reduce inflation, on the need for import cuts and increased export earnings, and on methods by which these aims might be reached.

The death of King George VI on February 6 brought political controversy to a momentary pause while the nation mourned the passing of "George the Good," as he was later to be so well described. Princess Elizabeth at once acceded to the Throne.

The Prime Minister shed the duties of Defence Minister by appointing Earl Alexander to the post on March 1. As April approached, and with it Budget Day, food and raw material prices rose. The upward movement was to continue, but it was to be accompanied by expanding production in most industries save cotton.

Mr. Butler produced a disinflationary Budget. Income Tax allowances of all kinds were raised, with the result that some 2,000,000 people were relieved of all liability for tax. This action also placed most overtime earnings beyond the reach of the then standard rate of 9s. 6d. in the £. Food subsidies were reduced, but to compensate for this most forms of social benefit were increased and the purchase tax on textiles was lowered by 25 per cent.

The differing views of Labour speakers on the Chancellor's provision for armament expenditure were symptomatic of the growing dissension between Mr. Bevan and his supporters and the bulk of the Parliamentary Party who were loyal to Mr. Attlee. He and the majority of the Party leaders thought the time had come for Labour to consolidate, and think carefully before advocating further sweeping measures of nationalization. The Bevanites were more radical. They wanted less money to be spent on defence, they approved higher spending on the social services, more thorough-going nationalization and greater independence of the United States in British foreign policy.

Conflict between the two sides of the Party became a feature of

political life in 1952, and at the Party Conference at Morecambe in the autumn the Bevanites won six seats, compared with the four previously held, on the Party Executive. Bevanite resolutions on rearmament and foreign policy were defeated by surprisingly narrow majorities—an indication of the growing acceptance of Mr. Bevan's ideas within the Socialist movement. He and his associates retained the four places they had previously held on the Labour Parliamentary Committee, but Mr. Herbert Morrison retained his position as Deputy Leader of the Party against Mr. Bevan's candidature by 194 votes to 82. At Morecambe Mr. Morrison and Mr. Dalton had been replaced on the Party Executive by two Bevanite candidates.

Labour unity was momentarily restored in November during debates on the Bills to denationalize steel and transport, but Mr. Morrison's threat that if and when returned to power Labour would renationalize both industries was regarded with alarm by those who regarded such cat-and-mouse conduct as bad constitutionally and basically ill-conceived.

No solution was reached during the year on the Persian oil issue, nor was a settlement of the Korean armistice achieved. While the Government's policy of dealing with Mau Mau atrocities in Kenya, involving punishment of Mau Mau communities, was criticized by the Opposition, there was agreement between both Parties on the Government's decision that Britain could not join the European Coal and Steel Community—the organization brought into being as a result of M. Schumann's proposal in 1950 that the German and French coal and steel industries should be integrated under a common High Authority. As the centre of the Commonwealth, it was felt that Britain could not so fundamentally involve itself in such a European body with the consequent concession of sovereignty involved.

The Peace Treaty with Japan was ratified and, despite the lack of any improvement in relations with Russia, a visit to Yugoslavia by the Foreign Secretary in September was to be followed by a new bond of friendship between that country and Britain, accompanied by a weakening of the Russo-Yugoslav link.

The affairs of the Commonwealth were much to the fore at the year's end when the Commonwealth Prime Ministers' Conference in London decided in favour of extending world trade rather than expanding Imperial Preference. By doing so they ran counter to views expressed earlier at the Conservative Party Conference that Imperial Preference should be increased. As a result of the Prime Ministers' discussions another important decision was taken: that

in future the Sovereign would be formally described as "Head of the Commonwealth" and that the words "other Realms and Territories" would replace the familiar "British Dominions beyond the Seas."

In the early months of 1953 debate continued on the Bills introduced the previous year to denationalize iron and steel and transport. The discussion on steel proceeded in accordance with a "timetable" agreed by the two Parties. When the measure became law in May it provided machinery for the removal of State control from the industry and the return of ownership and management to private enterprise.

The transport denationalization proposals evoked stronger opposition and to carry through the final stages of its Bill the Government imposed a "Guillotine" on proceedings in the Commons. The Bill, which also became law in May, did away with the various Executives working under the British Transport Commission, save for the London Transport Executive, and abandoned the idea of an integrated road-rail system.

Mr. Butler's Budget presented on April 14 was to prove unusual because it was the first since 1935 to include no provision for new taxes nor increases to existing ones. All rates of tax were cut by sixpence, there was a 25 per cent. reduction of purchase tax on all items except textiles, and the Chancellor restored the initial depreciation allowances for new plant and equipment. The cost to the Exchequer of reductions in income and purchase tax totalled £169,000,000. Mr. Butler explained that relief was being given "to improve our competitive efficiency, to provide incentives for greater effort and to encourage private saving." It proved a difficult Budget for the Opposition to criticize with any zeal.

In the same month the Prime Minister surprised the nation, and indeed the world, by becoming a Knight of the Garter, so joining the most illustrious Order of British Chivalry. He was thereafter to take a major interest in foreign affairs for some while owing to the serious illness of the Foreign Secretary. On May 11, while reviewing international affairs, Sir Winston, as he now was, declared in the Commons his belief that "a conference on the highest level should take place between the leading powers without delay." The proposal was widely acclaimed. On the 21st the Prime Minister announced President Eisenhower's proposal that a conference of the British and French Prime Ministers, with himself, be held at Bermuda in the latter part of June.

The Coronation intervened on June 2, but before the month was out Sir Winston had been taken ill. Neither he nor Mr.

Eden was able to attend to his duties, in consequence of which a meeting of the British, American and French Foreign Secretaries, with the Marquess of Salisbury deputizing for Mr. Eden, was held at Washington. They proposed that a Four-Power conference should be held at which the Western and Soviet Foreign Ministers should discuss the subject of free German elections and the establishment of an all-German Government.

There was little enthusiasm for these proposals among Labour M.P.s, who believed that only through a meeting of heads of State could tension between East and West be eased. There was also growing criticism of the absence from duty of both Sir Winston and Mr. Eden during a period of such anxiety in foreign affairs—criticisms allayed only when the Prime Minister and Foreign Secretary recovered and returned to their desks later in the summer.

Meanwhile the Government had a spectacular by-election success at Sunderland South in May when the Conservative candidate won a Labour seat. This victory, coupled with the fact of the Government's small majority, encouraged speculation about an early election, but the Premier steadfastly refused to go to the country.

Before the Summer recess began a Korean armistice had been agreed and the Central African Federation Bill, marking another significant development in the extension of self-government within the Commonwealth, had been enacted. An Egyptian Republic was proclaimed on June 18, and on 26th the British Government granted *de jure* recognition to Egypt; but no agreement was reached on the future of the British troops stationed in the Suez Canal Zone.

In September the Bank Rate, which for the past eighteen months had stood at 4 per cent., was reduced to $3\frac{1}{2}$ per cent.—a change taken to reflect the success of the Chancellor's financial and economic policy. His subsequent announcement, after the new session of Parliament had begun, that productivity had risen 4 per cent. during the year seemed to bear this out.

A limited reconstruction of the Government during September encouraged fresh speculation about the Prime Minister's intentions concerning a general election—speculation which was again to be proved baseless. It was also in this month that the Party Conference at Margate considered Labour's new policy statement, "Challenge to Britain," which had already been adversely criticized by a number of Labour M.P.s. In particular, the statement emphasized the need for higher production and proposed only a limited extension of Nationalization.

The Queen's Speech foreshadowed new legislation that would permit landlords to increase rents to cover the higher costs of maintenance and repairs, a proposal that was to be fiercely condemned by the Opposition. Before the year ended heated debates took place in the Commons, notably on the Government's decision to depose the Kabaka of Buganda and its suspension of the constitution of British Guiana. The opposition of a group of Conservative members to withdrawal of British troops from the Suez Canal Zone was reflected by the tabling of a motion in December, signed by forty-one Conservatives, demanding a cessation of the Anglo-Egyptian negotiations that had continued for so long.

A national railway strike was averted just before Christmas only when the British Transport Commission promised to revise the whole wages structure of the industry.

There was to be no lack of political incident in 1954. Controversy and dissension developed within both major Parties, there was considerable important legislation, and in the foreign field Mr. Eden was to have a hard but rewarding time.

The conference of Foreign Ministers at Berlin in February failed to reach any settlement of the problems dividing East and West in Europe and the Far East, but their deliberations led to the Geneva Conference which continued from April to July and at the close of which an armistice brought the seven years' war in Indo-China to an end. In June a further meeting was held between President Eisenhower, Sir Winston Churchill and Mr. Eden, at which Anglo-American understanding and unity of purpose were reaffirmed, although there was no complete reconciliation between the two countries' differing views on the question of recognizing Communist China.

The Persian oil dispute was settled in August, and during the summer a seven-year agreement was signed with Egypt under which Britain agreed to evacuate the Suez Canal Zone within a period of twenty months. The decision to evacuate the Zone was strongly disapproved by a group of Conservative Members, twenty-eight of whom voted against the Government on this issue. The South-East Asia Defence Treaty affecting Britain, France, Australia, New Zealand, Pakistan, Thailand and the Philippines was also signed in the summer.

Closely linked with the course of foreign affairs was Mr. Bevan's resignation from the Labour Shadow Cabinet—the Party's Parliamentary Committee—on April 14, the day after he had openly contradicted Mr. Attlee in the House of Commons on the question of Far Eastern Policy. There had been earlier evidence of divisions

within the Labour Party when in the Commons on February 24 Labour Members expressed conflicting views about permitting German rearmament and the inclusion of Western Germany in a European Defence scheme. Further evidence of dissension came in May. On the 19th the "Shadow Cabinet" called on M.P.s to refrain from attacking each other and warned that any who did would be dealt with by the Committee.

But inter-Party conflict was by no means confined to one side of the House; in addition to the Suez issue, there was great opposition among Government back-benchers to a Government proposal that teachers should pay an increased amount towards their own superannuation. So strong was this back-bench pressure that the proposal was shelved.

Another example of revolt occurred over the Crichel Down case. The right to buy back land in Dorset compulsorily acquired from them by the Air Ministry before the war was sought by the original owners. Permission was refused. The Ministry of Agriculture, to which the land had been transferred, wished to use it for model farming. All attempts to obtain a change of policy failed, a public inquiry was held and the report subsequently produced strongly attacked the methods adopted by Civil Service officials during the protracted dispute. Conservative Members expressed themselves strongly on what had happened, in consequence of which the Minister of Agriculture, Sir Thomas Dugdale, resigned on July 20 and, at the same time, announced that in future land compulsorily acquired and subsequently no longer needed by the Department that had acquired it would be sold, and not transferred, to another Department unless at the time of transfer the receiving Department could or would have bought it absolutely had it been in private ownership.

In two other important matters the views of the Conservative back-benchers proved significant—the proposal to permit commercial television and the raising of M.P.s' remuneration. A Government White Paper in 1953 had outlined suggestions for the creation of an organization distinct from the B.B.C. to transmit commercial television programmes. Before the Television Act of 1954 was approved by the Lords and Commons there were many battles inside and outside Parliament—on the basic issue of permitting any challenge to the B.B.C. monopoly, on the rightness of allowing advertising, and, finally, on the safeguards and provisions that should govern the Independent Television Authority. Under the Act most programmes were to be provided by independent companies under contract with the I.T.A., and the Authority was given power to ensure that adequate standards were maintained.

No monopoly in the television or televising of important sporting events or other events of national interest was to be allowed, political broadcasts were to be fairly balanced and the Authority was to have the help of a religious advisory committee. Advertisements were to be kept separate from the contents of programmes and to be of limited duration. A grant not in excess of £750,000 was to be paid to the I.T.A. for the commissioning of programmes if and when necessary.

The proposal of a Select Committee that the salaries of M.P.s should be increased by £500 a year caused great conflict within the Conservative ranks. The proposal was welcomed by the Labour Party, but there were Government back-benchers who thought it wrong that at a time when wage restraint was still desirable Members should themselves take more money.

Although the Government at first approved the £500-a-year increase, it later favoured the payment of an expense allowance. In a free vote the Commons decided for a straight increase in salary, rejecting the proposal of the Chancellor that assistance should be provided by means of an expense allowance. On June 24 Sir Winston Churchill informed the House that the Government did not feel justified in granting a higher salary, a decision which led Labour to withdraw "pairing" facilities—the system whereby individual Members on opposite sides of the House agree with each other to absent themselves from the voting on certain occasions, thereby enabling them to be away from Parliament occasionally, whilst ensuring that, despite their absence, neither side gains or loses votes in the Division Lobbies. The Labour Party's action made it more than ever necessary for Conservative Members to be at Westminster. They could never be sure that the Opposition would not stage a snap vote, with all its forces available, that might cause the defeat of the Government. The situation was resolved by the decision to pay M.P.s an allowance of £3 a day for each sitting day in the year.

Mr. Butler's Budget, his third, was a "carry-on" Budget, and the second in succession in which no new taxes were imposed. Introducing it on April 6, he described it as "reaffirming our basic policies rather than marking any major change of emphasis or direction." To improve the competitive power of industry new investment allowances for capital expenditure on plant and machinery were introduced. Concessions were made in entertainments duty, in the repayment of post-war credits, and in estate duties on family businesses. The exemption limit for estate duties was raised from £2,000 to £3,000. One of the major

Opposition criticisms of the Budget was that it offered no relief to pensioners; but before the year ended improved benefits were to be announced after a series of debates, initiated by Labour, on this subject.

Strong Opposition criticism was directed at the Housing Repairs and Rents Bill and the Landlord and Tenant Bill, both of which were to become law during the year. The purpose of the former measure was briefly "to allow sufficient increase in the rental of older houses to enable them to be maintained in good repair." The latter measure was designed to give the leaseholder with a lease of more than twenty-one years the right to continue living in his home after the expiration of his lease, and contained provisions to safeguard tenants in respect of dilapidations.

One measure that passed without criticism was that providing for the Duke of Edinburgh to become Regent in the event of the Queen's death before Prince Charles reached the age of eighteen. There was also little criticism when at midnight, July 3, all forms of rationing ended after fourteen-and-a-half years. Resentment quickly grew at the increased meat prices which followed derationing, but it was not long before price levels became adjusted to the new freedom.

With the onset of the autumn the time of the conferences was at hand once more. There was particular interest in the Labour Conference at Scarborough because, for the first time, Mr. Bevan was challenging Mr. Hugh Gaitskell for the Party Treasurership. By so doing Mr. Bevan was risking loss of membership of the Party Executive. He could not stand for the Treasurership—which he was unlikely to win and did, in fact, lose—and for a seat on the Executive. There was a belief that he took the course he did well knowing that it would mean his exile from any place in the inner counsels of the Party. During a speech at the Conference he declared that the Party was falling into the hands of "a small handful of irresponsible bureaucrats." But there was some surprise when a resolution supporting the rearmament of Germany was passed by a majority of only 248,000 out of a total poll of 6,292,000. The voting revealed how substantial was Mr. Bevan's following in the Party on this particular issue.

In November came an occasion unique in the history of Parliament. The Prime Minister celebrated his eightieth birthday on November 6, and the occasion was marked by presentations made to him in Westminster Hall on behalf, and in the presence, of both Houses of Parliament. Inevitably, the achievement of his eightieth birthday encouraged deepening speculation about Sir Winston's

retirement, but he continued to give no hint of his intentions. His silence served only to intensify curiosity and increase the desire for definite information.

The year ended with a less happy Parliamentary occasion; the expulsion from membership of the House of Commons of Captain Peter Baker, who had been convicted for uttering forged documents. It was the first time a Member had been so dealt with since Horatio Bottomley, in 1922, was expelled after being convicted for fraudulent conversion.

Something of the drama that was to be a feature of the first six months of 1955 was quickly apparent when the new year opened. In the Formosa Straits, Chinese Communist attacks against islands off the mainland increased anxiety about the possibilities of a flare-up in that already troubled area about which no sure agreements had yet been reached between Britain and America, not to mention the Soviet Union and Communist China.

At home, on January 24, a fifteen-year plan for reorganizing British railways at a cost of £1,240,000,000 was announced, and on the 27th an increase in the Bank Rate from 3 to 3½ per cent. showed that inflation was again threatening the economy. A month later this danger was emphasized by the further raising of the rate to 4½ per cent., by the reimposition of restrictions on hire purchase and requests to the Capital Issues Committee and the Banks to reduce finances for hire purchase.

Before the second Bank Rate "sensation" it was revealed on February 7 that the Defence Estimates for the ensuing year, at £1,537,200,000, would be £102,700,000 less than for 1954-55, and that the Hydrogen bomb was to be manufactured in Britain.

The Commonwealth Prime Ministers conferred in London from January 31 to February 8, and at the end of their talks came the announcement of Pakistan's intention to become a sovereign independent republic with full membership of the Commonwealth and accepting the Queen as a symbol of the free association of its independent member nations. In February, too, the resignation of the Soviet leader, Malenkov, amazed the world, and it was announced that Bulganin would be the new Russian Prime Minister. This development tended to confirm repeated reports that the Soviet hierarchy was in a state of flux and encouraged new hopes that, following Stalin's death, more conciliatory policies might yet be pursued by the Kremlin.

The weeks passed by with still no indication of the Prime Minister's intention to retire. Meanwhile the Defence Debate on March 1-2 enlivened the political scene with a new indication

of Labour disunity. An Opposition amendment approving the use of the atom bomb as a deterrent against aggression, but condemning the Government's general defence policy, was attacked by Mr. Bevan and other Labour Members and no fewer than sixty-two Opposition M.P.s abstained from voting for the amendment.

Ever-mounting speculation about the Prime Minister's future and, in Parliamentary circles, a feeling almost of irritation that such a secret could be as well-kept for so long, were countered by an intensely significant news item when on April 5 it was announced that the Queen had dined with Sir Winston at 10, Downing Street, the previous night. On the day that this was revealed he took leave of his Cabinet colleagues, having held office as Prime Minister since October 26, 1951, and later the same day he formally resigned.

By an irony the secret which so many had sought to learn for so long was not disclosed in the National Press. There was a national newspaper strike, and the story of the year—one of the stories of the century—was first given to an expectant nation by radio.

CHAPTER FOURTEEN

The New Era

Sir Anthony Eden—A Quiet Election—Conservative Victory—
Strikes—Co-existence—1900 and 1955—The "Child of Politics"

IT was Sir Anthony Eden who, on Friday, April 15, 1955, went to the microphone to inform the nation that the Queen had agreed to dissolve Parliament on May 6, and that the General Election would be held on May 26. This decision, announced only four days before the Chancellor of the Exchequer was to present his Budget, meant that the Finance Bill had to be very short, containing only those items for which Parliamentary sanction was vital to the continued running of the country.

The Budget, if it was an electioneering Budget, was subtly so. Its main proposals were: that purchase tax on all household textiles other than wool be cut from 50 per cent. to 25 per cent.; that the standard rate of income tax be cut from 9s. in the £ to 8s. 6d.; that the lower rates of tax be cut by 3d.; that a single person's allowance be raised from £120 to £140; that the allowance for each child be raised from £85 to £100; that the band of taxable income charged at the lowest reduced rates be cut down from £100 to £60; that small income relief be raised by £50 to £300. Allowances were also proposed in respect of dependent relatives and apprentices' earnings.

On May 3rd the Chancellor announced a further purchase tax concession—the removal of the tax on non-woollen piece goods and household textiles. At the same time he reported substantial cuts in the Indian duty on imported cotton cloth.

The Opposition criticized the Chancellor for giving the rich greater tax benefits than the lower-paid members of the community, to which the Government replied that 2.4 million people were to be relieved altogether of the necessity for paying any income tax.

Only twice before in the present century had there been summer elections—in 1929 and 1945. And not since 1922 had a Prime Minister appealed to the country for a mandate within weeks of his assumption of the Premiership.

Of the many special features of the election one was unique. It was generally asserted by the political writers that the issue

would be decided less by the Party policies, less by speech-making in the constituencies, than by the Party whose spokesmen were most successful in the political television programmes. This, it was claimed, would be the first real Television Election. In the event it proved no such thing. According to the B.B.C. audience research figures, the seven political television programmes averaged 5,000,000 viewers. None of the audiences were numerically conspicuously different from those of "News and Newsreel" which preceded the programmes. It was estimated by the B.B.C. that the average television election broadcast was seen by only 37 per cent. of the television public, and that an average television set owner saw two-and-a-half of a possible seven election programmes. The average radio listener heard only one-and-a-half out of nine election broadcasts.

The campaign opened quietly and continued so. It was the calmest election within memory. No startling or significantly controversial issues emerged. Expectations that Bevanite elements in the Labour Party might concentrate, to the embarrassment of their own Party, on the need for banning production of the H-bomb in Britain, did not materialize. On this question the official Labour line was in harmony with that of the Conservatives. More than any other matter the high cost of living was stressed by Socialist candidates, and there were Conservatives who admitted the validity of assertions that their own Party had failed to halt the upward surge in living costs.

The length of, and the necessity for, National Service was the one other topic raised widely and often by the Socialists, but it never became an election issue. The substantial relaxation in international tension achieved during the period of Conservative Government had rendered the electorate less susceptible to fears of war or war-mongering. The "Whose Finger do you want on the Trigger" gimmick of the *Daily Mirror* in 1951 could not be repeated. This time it was "Eden the Peacemaker" who was appealing for people's votes. Against his record in international diplomacy Labour could level little criticism.

It became clear as the campaign proceeded that the real battle to be fought was the battle of the turn-out. Of the two major Parties the one that most successfully mobilized its forces on Polling Day would be victorious. The Gallop Polls consistently predicted a Conservative success, but there was a healthy tendency on the part of Agents to disregard such favourable prognostications and to concentrate on constituency organization.

One fairly certain factor operating in favour of the Conservatives

was the redistribution of seats that had taken place. There had been alterations to 215 of the 625 constituencies in existence and a further five new divisions had been created. It was calculated that from five to ten constituencies had been made safe for the Conservatives as a result of boundary changes.

Against all these elements in the political situation was the fact that never since Palmerston led the Liberals to victory in 1865 had the Party in office improved its position at a general election. It was against all the precedents of the twentieth century that the Conservatives should do so in 1955, yet at no time during the campaign was there ever any strong feeling that they would fail so to do. The Conservatives themselves had a calm confidence; the Socialists campaigned with an uneasy fear to which the many months of internal dissension within their own Parliamentary ranks contributed in substantial measure.

Only the effect of Liberal intervention caused concern to the major Parties. Liberals fought in 110 constituencies, a number of which were marginal. But the way in which they would vote in the constituencies where there was no Liberal candidate also gave the other Party headquarters uneasiness. The general expectation was that Liberal representation in Parliament—it had been six in the last Parliament—might drop to five, and that the percentage of Liberal lost deposits would be greater than in 1951, when they lost sixty-one.

The results on Polling Day upset many calculations and confounded the prophets. Although the Conservatives won the victory predicted for them by the experts, they did so by a smaller margin than had been anticipated. Labour's total vote fell for the first time since 1931—the only occasion since 1918 until now, when it had not increased at a general election—and the Liberals, apart from holding their six seats, polled surprisingly well and increased their 1951 vote in a number of constituencies.

The election figures are instructive. There were 1,409 candidates, and, for the first time since 1832, no Member was to be returned unopposed. The division of candidates between the Parties was: Conservatives, 624; Labour, 620; Irish Labour, 3; Liberal, 110; Communists, 17; others, 38. They polled: Conservatives, 13,336,182 (49.184 per cent. of the total poll); Labour, 12,405,130 (46.36 per cent.); Liberals, 722,400 (2.7 per cent.); Communists and others, 295,772 (1.1 per cent.). The total percentage poll was 76.78.

The joys of electoral success were sharply muted for Sir Anthony Eden and his colleagues by the railway chaos with which the country

was faced in consequence of a strike by the 67,000 members of the Associated Society of Locomotive Engineers and Firemen due to start at midnight on Saturday, May 28. Thus on the 27th, the day on which the return of the Conservative Government became certain, the Cabinet met to discuss emergency plans for maintaining the movement of essential supplies.

There was a unique symbolism about this first domestic crisis with which the new Administration was faced. The industrial history of the past few years had made it increasingly clear that unofficial strikes, and strikes called officially in defiance of the public interest and in contempt of conciliation and arbitration machinery, were to become one of the major problems with which the Government of the day would have to deal.

Because of the strike Parliament was recalled a week earlier than had been intended—on June 7 instead of the 14th—and the State Opening was brought forward to the 9th. The Queen did not drive to Westminster in the State Coach, but by car. In the House of Lords, however, the customary brilliance of the State Opening was retained. If anything, it had a greater lustre than any similar occasion since the war.

The Gracious Speech dispelled any expectation that there was to be a short Parliamentary Session. It promised no fewer than fourteen new pieces of legislation. There were to be measures to amend the Road Traffic Acts; to amend the existing teachers' superannuation scheme; to extend the period during which family allowances were payable to children who remained at school; to end the system of State trading in sugar; to reduce pollution of the air by smoke and other causes; to extend legal aid to proceedings in the County Courts; to create new Criminal Courts at Liverpool and Manchester; to safeguard the health and provide for the safety and welfare of those employed in agriculture and forestry; to introduce countervailing and anti-dumping duties on imported goods. It was also intimated that the Government would press forward with schemes of road construction, with the modernization of the railways—an ironic proposal in the existing strike circumstances—and would hasten slum clearance.

The Queen's opening reference to foreign affairs, "My Government will go resolutely forward with the policies to which they are pledged," had special substance because at the time of its utterance preliminary arrangements had already been made for a meeting of the "Big Four" heads of State at Geneva in July.

But at this time the proceedings at Westminster were of less interest to the public than the course of the railway strike, to a

lesser degree the docks strike, and the efforts that were being made to effect settlements. The only political story that won headlines concerned the move initiated by Mr. Hugh Dalton to replace the Labour Party leadership with younger men. He announced his own intention to quit the Opposition Front Bench as did Mr. Chuter Ede. Doubts about Mr. Attlee's intentions were resolved when at a Parliamentary Labour Party Meeting he indicated his readiness—spurred on, surprisingly, by Mr. Bevan—to stand again for the Party leadership. He was elected, but Mr. William Whiteley, the Chief Labour Whip, did not stand again for that office.

The railwaymen returned to work in June, having been awarded small increases by Lord Justice Morris, to whom the issue had finally been referred. But there was widespread uneasiness that such a stoppage should have occurred despite the conciliation machinery available, and without the support of a substantial section of the Labour Movement. The docks strike was not resolved until later.

If there was darkness threatening over the industrial field, however, the international outlook was brighter than at any time since the war. From Russia came increasing signs of a new readiness to be conciliatory. The statements of her leaders, the Soviet radio and press comments all hinted at a new willingness, almost desire, to achieve a measure of real understanding with the nations of the West. When the Geneva Talks concluded on July 23 it was announced that agreement had been reached on all points. These were that the Foreign Ministers of Britain, France, America and Russia should meet in October to consider European security and the unification of Germany; that a meeting of the sub-committee of the United Nations Disarmament Commission should meet in August to develop an acceptable system of disarmament, and that closer contacts should be maintained between East and West.

The success of the Talks was a happy triumph for Sir Anthony Eden so soon after his assumption of the Premiership. It also encouraged relaxation of the "cold war" atmosphere that had brooded so long over the life and thought of the post-war world.

Although there is now this freshly-born hope of achieving amity between the nations and of yet avoiding the terrors of an atomic war, the contrast between the political atmosphere of 1900 and 1955 is clear and sharp. Then there was confidence, now there is fear; then much in thought and action was taken for granted; now there is constant questioning and doubt; then there was no

apprehension about the survival of mankind, now the possibility of total annihilation is an imminent possibility.

It is against this background that politicians must practice their art or craft. They live in a far more complex age than their predecessors at the turn of the century. The development of radio and the aeroplane have made the world a parish. Scientific advances have outstripped the moral growth of man, yet in Britain a social conscience has developed during these fifty-five years of which the Welfare State, with all its shortcomings, is an abiding symbol.

The State has increased its power over the individual. The Party system has extended its authority over the private Member. Parliament, as an institution, retains respect, but its control over the Executive is far less strong than formerly. Yet as it was in 1900, so it is now; two main groups contend for privilege of governing the nation.

There is no more a British Empire in the old sense of the term; but the Commonwealth is a living thing, changing in character, powerful in unity and an example to the world of the wisdom and virtue that lie in a common acceptance of ideals, loyalty and mutual respect.

With so much change behind him and the unknown ahead, Sir Anthony leads a Conservative Administration as did Lord Salisbury in 1900, but these modern Conservatives are changed in outlook and intention. Yet among them is one who was a Conservative Member in the first year of the twentieth century—Sir Winston Churchill. His political career is the thread that binds together the fifty-five years of history summarily covered in this book. Only he appears in the first chapter and the last. He is, as he explained to the American Congress in 1941, "a child of politics . . . brought up in my father's house to believe in democracy." And he would claim that a study of what has happened politically in the fifty-five years that have gone must give some indication of the way in which events will shape themselves and be shaped. For as he told the House of Commons on March 14, 1938: "We cannot say 'the past is the past' without surrendering the future." That is sound advice for a politician and precious wisdom for a newly-elected Prime Minister and his colleagues. It rests with the history that is yet unwritten to show with what measure of success or failure the Governments of 1955 and those that succeed it learn from the first half of the twentieth century how best to direct the political life of the second.

Appendices

GENERAL ELECTION RESULTS FROM 1900 TO 1955

OCTOBER, 1900					Labour and Socialist	-	-	142
					Nationalists	-	-	2
Conservatives -	-	-	-	334	Sinn Fein	-	-	1
Liberal Unionists	-	-	-	68	Others	-	-	9
Liberals -	-	-	-	186				
Nationalists	-	-	-	82				
					DECEMBER, 1923			
JANUARY, 1906					Unionists	-	-	258
					Liberals -	-	-	159
Conservatives -	-	-	-	134	Labour -	-	-	191
Liberal Unionists	-	-	-	23	Independent	-	-	7
Liberals -	-	-	-	376				
Labour -	-	-	-	54	AUGUST, 1924			
Nationalists	-	-	-	83	Unionists	-	-	412
					Constitutionalists	-	-	7
JANUARY, 1910					Liberals -	-	-	40
					Labour -	-	-	151
Conservatives -	-	-	-	242	Independent	-	-	5
Liberal Unionists	-	-	-	31				
Liberals -	-	-	-	275	MAY, 1929			
Labour -	-	-	-	40	Conservatives -	-	-	260
Nationalists	-	-	-	82	Socialists	-	-	289
					Liberals -	-	-	58
DECEMBER, 1910					Others	-	-	8
Conservatives -	-	-	-	240	OCTOBER, 1931			
Liberal Unionists	-	-	-	34	Conservatives -	-	-	470
Liberals -	-	-	-	270	Liberal National	-	-	35
Labour -	-	-	-	42	National Labour	-	-	13
Nationalists	-	-	-	84	Nationalists	-	-	3
					Liberals -	-	-	33
DECEMBER, 1918					Socialists	-	-	52
					Independent Labour	-	-	4
Conservative Unionists	-	-	-	333	Independent	-	-	5
Conservative Liberals	-	-	-	139				
Conservative Labour	-	-	-	13	NOVEMBER, 1935			
Unionists	-	-	-	48	Conservatives -	-	-	387
Liberals -	-	-	-	28	Liberal National	-	-	33
Labour and Socialists	-	-	-	61	National Labour	-	-	8
Nationalists	-	-	-	7	Independent National	-	-	3
Sinn Fein	-	-	-	73	Labour -	-	-	154
Others	-	-	-	5	Liberals -	-	-	21
					I.L.P.	-	-	4
NOVEMBER, 1922					Independents	-	-	4
					Communist	-	-	1
Unionists	-	-	-	347				
National Liberals	-	-	-	61				
Liberals -	-	-	-	53				

APPENDICES

JULY, 1945					LIBERALS - - - - -					9
					Nationalists - - - - -					2
Conservatives -	-	-	-	198						
National Conservative	-	-	-	1	OCTOBER, 1951					
Liberal National	-	-	-	13	Conservatives -	-	-	-	-	302
Labour -	-	-	-	393	National Liberals	-	-	-	-	19
Liberals -	-	-	-	11	Labour -	-	-	-	-	295
I.L.P. -	-	-	-	3	Liberals -	-	-	-	-	6
Common Wealth	-	-	-	1	Others -	-	-	-	-	3
Irish Nationalists	-	-	-	2						
Independents -	-	-	-	3	MAY, 1955					
FEBRUARY, 1950					Conservatives -	-	-	-	-	324
Labour -	-	-	-	315	National Liberals	-	-	-	-	21
Conservative and Ulster Union-	-	-	-		Labour -	-	-	-	-	277
ists -	-	-	-	282	Liberals -	-	-	-	-	6
National Liberals	-	-	-	17	Sinn Fein	-	-	-	-	2

PRINCIPAL MINISTERS IN THE ADMINISTRATIONS FROM 1900 TO 1955

1900 (until September)

PRIME MINISTER	-	-	-	-	-	Marquess of Salisbury
FOREIGN SECRETARY	-	-	-	-	-	Marquess of Salisbury
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	-	Sir Michael Hicks Beach
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	-	Duke of Devonshire
LORD CHANCELLOR	-	-	-	-	-	Lord Halsbury
LORD PRIVY SEAL	-	-	-	-	-	Viscount Cross
HOME SECRETARY	-	-	-	-	-	Sir M. W. Ridley
COLONIAL SECRETARY	-	-	-	-	-	Mr. Joseph Chamberlain
SECRETARY OF STATE FOR WAR	-	-	-	-	-	Marquess of Lansdowne
FIRST LORD OF THE ADMIRALTY	-	-	-	-	-	Mr. Goschen
SECRETARY OF STATE FOR INDIA	-	-	-	-	-	Lord George Hamilton
SECRETARY OF STATE FOR SCOTLAND	-	-	-	-	-	Lord Balfour of Burleigh
LORD LIEUTENANT OF IRELAND	-	-	-	-	-	Earl Cadogan
LORD CHANCELLOR OF IRELAND	-	-	-	-	-	Lord Ashbourne
CHIEF SECRETARY FOR IRELAND	-	-	-	-	-	Mr. George Wyndham
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	-	Mr. C. T. Ritchie
PRESIDENT OF THE LOCAL GOVERNMENT BOARD	-	-	-	-	-	Mr. Henry Chaplin
PRESIDENT OF THE BOARD OF AGRICULTURE	-	-	-	-	-	Mr. W. H. Long
FIRST LORD OF THE TREASURY AND LEADER OF THE HOUSE OF COMMONS	-	-	-	-	-	Mr. A. J. Balfour
FIRST COMMISSIONER OF WORKS AND PUBLIC BUILDINGS	-	-	-	-	-	Mr. A. Akers Douglas
POSTMASTER-GENERAL	-	-	-	-	-	Marquess of Londonderry

1900 (from November)

PRIME MINISTER	-	-	-	-	-	Lord Salisbury
FOREIGN SECRETARY	-	-	-	-	-	Lord Lansdowne
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	-	Sir Michael Hicks Beach

1900 (from November) continued

LORD CHANCELLOR	-	-	-	-	-	Lord Halsbury
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	-	Duke of Devonshire
LORD PRIVY SEAL	-	-	-	-	-	Lord Salisbury
HOME SECRETARY	-	-	-	-	-	Mr. C. T. Ritchie
COLONIAL SECRETARY	-	-	-	-	-	Mr. Joseph Chamberlain
SECRETARY OF STATE FOR WAR	-	-	-	-	-	Mr. Brodrick
FIRST LORD OF THE ADMIRALTY	-	-	-	-	-	Lord Selborne
SECRETARY OF STATE FOR INDIA	-	-	-	-	-	Lord George Hamilton
SECRETARY OF STATE FOR SCOTLAND	-	-	-	-	-	Lord Balfour of Burleigh
LORD CHANCELLOR OF IRELAND	-	-	-	-	-	Lord Ashbourne
CHIEF SECRETARY FOR IRELAND	-	-	-	-	-	Mr. George Wyndham
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	-	Mr. Gerald Balfour
PRESIDENT OF THE LOCAL GOVERNMENT BOARD	-	-	-	-	-	Mr. W. H. Long
PRESIDENT OF THE BOARD OF AGRICULTURE	-	-	-	-	-	Mr. R. W. Hanbury
CHANCELLOR OF THE DUCHY OF LANCASTER	-	-	-	-	-	Lord James of Hereford
FIRST COMMISSIONER OF WORKS	-	-	-	-	-	Mr. Akers-Douglas
POSTMASTER-GENERAL	-	-	-	-	-	Lord Londonderry

1902 (from July)

PRIME MINISTER	-	-	-	-	-	Mr. A. J. Balfour
FOREIGN SECRETARY	-	-	-	-	-	Lord Lansdowne
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	-	Mr. C. T. Ritchie, Mr. Austen Chamberlain (1903)
LORD CHANCELLOR	-	-	-	-	-	Lord Halsbury
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	-	Duke of Devonshire, Lord Londonderry (1903)
LORD PRIVY SEAL	-	-	-	-	-	Lord Salisbury
HOME SECRETARY	-	-	-	-	-	Mr. Akers-Douglas
COLONIAL SECRETARY	-	-	-	-	-	Mr. Joseph Chamberlain, Mr. Lyttelton (1903)
SECRETARY OF STATE FOR WAR	-	-	-	-	-	Mr. Brodrick, Mr. Arnold Foster (1903)
FIRST LORD OF THE ADMIRALTY	-	-	-	-	-	Lord Selborne, Lord Cawdor (1905)
SECRETARY OF STATE FOR INDIA	-	-	-	-	-	Lord George Hamilton, Mr. Brodrick (1903)
SECRETARY OF STATE FOR SCOTLAND	-	-	-	-	-	Lord Balfour of Burleigh, Mr. Graham Murray (1903)
LORD CHANCELLOR OF IRELAND	-	-	-	-	-	Lord Ashbourne
CHIEF SECRETARY FOR IRELAND	-	-	-	-	-	Mr. George Wyndham, Mr. W. H. Long (1905)
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	-	Mr. Gerald Balfour, Lord Salisbury (1905)
PRESIDENT OF THE LOCAL GOVERNMENT BOARD	-	-	-	-	-	Mr. W. H. Long, Mr. Gerald Balfour (1905)
PRESIDENT OF THE BOARD OF AGRICULTURE	-	-	-	-	-	Mr. R. W. Hanbury, Lord Onslow
PRESIDENT OF THE BOARD OF EDUCATION	-	-	-	-	-	Lord Londonderry
FIRST COMMISSIONER OF WORKS	-	-	-	-	-	Lord Plymouth
CHANCELLOR OF THE DUCHY OF LANCASTER	-	-	-	-	-	Sir William Walrod
POSTMASTER-GENERAL	-	-	-	-	-	Mr. Austen Chamberlain, Lord Stanley (1903)

1908 (from May) continued

PRESIDENT OF THE BOARD OF TRADE - - -	Mr. Churchill, Mr. Sydney Burton (1910), Mr. John Burns (1914), Mr. Walter Runciman (1914)
PRESIDENT OF THE LOCAL GOVERNMENT BOARD -	Mr. John Burns, Mr. Herbert Samuel (1914)
PRESIDENT OF THE BOARD OF AGRICULTURE -	Lord Carrington, Mr. Runciman (1911), Lord Lucas (1914)
PRESIDENT OF THE BOARD OF EDUCATION - -	Mr. McKenna, Mr. Runciman (1908), Mr. J. A. Pease (1910)
CHANCELLOR OF THE DUCHY OF LANCASTER -	Lord Wolverhampton, Lord Fitzmaurice (1908), Mr. Herbert Samuel (1909), Mr. J. A. Pease (1910), Mr. C. E. Hobhouse (1911), Mr. Masterman (1914)
FIRST COMMISSIONER OF WORKS - - -	Mr. Lewis Harcourt, Lord Beauchamp (1910), Lord Emmott (1914)
POSTMASTER-GENERAL - - - -	Mr. Sydney Burton, Mr. Herbert Samuel (1910), Mr. C. E. Hobhouse (1914)

1915 (from May)

PRIME MINISTER - - - - -	Mr. Asquith
FOREIGN SECRETARY - - - - -	Viscount Grey
CHANCELLOR OF THE EXCHEQUER - - - - -	Mr. Reginald McKenna
LORD CHANCELLOR - - - - -	Lord Buckmaster
LORD PRESIDENT OF THE COUNCIL - - - - -	Lord Crewe
LORD PRIVY SEAL - - - - -	Lord Curzon
HOME SECRETARY - - - - -	Sir John Simon, Mr. Herbert Samuel (1916)
COLONIAL SECRETARY - - - - -	Mr. Bonar Law
SECRETARY OF STATE FOR INDIA - - - - -	Mr. Austen Chamberlain
SECRETARY OF STATE FOR WAR - - - - -	Lord Kitchener, Mr. Lloyd George (1916)
FIRST LORD OF THE ADMIRALTY - - - - -	Mr. A. J. Balfour
MINISTER WITHOUT PORTFOLIO - - - - -	Lord Lansdowne
SECRETARY OF STATE FOR SCOTLAND - - - - -	Mr. McKinnon Wood, Mr. H. J. Tennant (1916)
CHANCELLOR OF THE DUCHY OF LANCASTER -	Mr. Winston Churchill, Mr. Herbert Samuel, Mr. E. S. Montagu (Jan., 1916), Mr. McKinnon Wood (July, 1916)
PRESIDENT OF THE BOARD OF TRADE - - - - -	Mr. Walter Runciman
MINISTER OF MUNITIONS - - - - -	Mr. Lloyd George, Mr. E. S. Montagu (1916)
MINISTER OF BLOCKADE - - - - -	Lord Robert Cecil
PRESIDENT OF THE LOCAL GOVERNMENT BOARD -	Mr. W. H. Long
PRESIDENT OF THE BOARD OF AGRICULTURE -	Lord Selborne, Earl of Crawford (1916)

APPENDICES

1915 (from May) continued

PRESIDENT OF THE BOARD OF EDUCATION	-	-	-	-	Mr. Arthur Henderson, Lord Crewe (1916)
FIRST COMMISSIONER OF WORKS	-	-	-	-	Mr. Lewis Harcourt
CHIEF SECRETARY FOR IRELAND	-	-	-	-	Mr. Birrell, Mr. Duke (1916)
FINANCIAL SECRETARY TO THE TREASURY	-	-	-	-	Mr. E. S. Montagu, Mr. McKinnon Wood (1916)
PAYMASTER-GENERAL	-	-	-	-	Mr. Arthur Henderson
ATTORNEY-GENERAL	-	-	-	-	Sir Edward Carson, Sir F. E. Smith (1915)

1916 (from December)

PRIME MINISTER	-	-	-	-	Mr. David Lloyd George
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	Mr. Bonar Law
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	Lord Curzon
MINISTERS WITHOUT PORTFOLIO	-	-	-	-	Viscount Milner, Mr. Arthur Henderson, Mr. G. N. Barnes (1917), Sir Edward Carson (1917), General Smuts (1917), Mr. Austen Chamberlain (1918)

1919 (from January)

PRIME MINISTER	-	-	-	-	Mr. David Lloyd George
FOREIGN SECRETARY	-	-	-	-	Lord Curzon
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	Mr. Austen Chamberlain, Sir Robert Horne
LORD CHANCELLOR	-	-	-	-	Lord Birkenhead
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	Lord Curzon, Mr. A. J. Balfour (1919)
LORD PRIVY SEAL	-	-	-	-	Mr. Bonar Law, Mr. Aus- ten Chamberlain (1921)
HOME SECRETARY	-	-	-	-	Mr. E. Shortt
COLONIAL SECRETARY	-	-	-	-	Lord Milner, Mr. Winston Churchill (1921)
SECRETARY OF STATE FOR INDIA	-	-	-	-	Mr. E. S. Montagu, Lord Peel (1922)
SECRETARY OF STATE FOR WAR	-	-	-	-	Mr. Winston Churchill, Sir L. Worthington-Evans (1921)
FIRST LORD OF THE ADMIRALTY	-	-	-	-	Mr. W. H. Long, Lord Lee of Fareham (1921)
MINISTER WITHOUT PORTFOLIO	-	-	-	-	Mr. G. N. Barnes, Sir L. Worthington-Evans (1919), Dr. C. Addison (1921)
SECRETARY OF STATE FOR SCOTLAND	-	-	-	-	Mr. R. Munro
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	Sir A. Geddes, Sir Robert Horne (1920), Mr. Stanley Baldwin (1921)
MINISTER OF HEALTH	-	-	-	-	Dr. C. Addison, Sir Alfred Mond (1921)

1919 (from January) continued

MINISTER OF AGRICULTURE	-	-	-	-	Lord Lee of Fareham, Sir A. Griffith Boscawen (1921)
PRESIDENT OF THE BOARD OF EDUCATION	-	-	-	-	Mr. H. A. L. Fisher
MINISTER OF TRANSPORT	-	-	-	-	Sir Eric Geddes
MINISTER OF LABOUR	-	-	-	-	Sir Robert Horne, Dr. T. J. Macnamara (1921)
LORD LIEUTENANT OF IRELAND	-	-	-	-	Lord French
CHIEF SECRETARY FOR IRELAND	-	-	-	-	Sir Hamar Greenwood
ATTORNEY-GENERAL	-	-	-	-	Sir Gordon Hewart

1922 (from October)

PRIME MINISTER	-	-	-	-	Mr. Bonar Law
FOREIGN SECRETARY	-	-	-	-	Lord Curzon
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	Mr. Stanley Baldwin
LORD CHANCELLOR	-	-	-	-	Lord Cane
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	Lord Salisbury
HOME SECRETARY	-	-	-	-	Mr. W. C. Bridgeman
COLONIAL SECRETARY	-	-	-	-	Duke of Devonshire
SECRETARY OF STATE FOR WAR	-	-	-	-	Lord Derby
FIRST LORD OF THE ADMIRALTY	-	-	-	-	Mr. L. S. Amery
SECRETARY OF STATE FOR AIR	-	-	-	-	Sir Samuel Hoare
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	Sir P. Lloyd-Graeme
MINISTER OF HEALTH	-	-	-	-	Sir A. Griffith-Boscawen
MINISTER OF AGRICULTURE	-	-	-	-	Sir R. A. Sanders
PRESIDENT OF THE BOARD OF EDUCATION	-	-	-	-	Mr. E. F. L. Wood

1923 (from May)

PRIME MINISTER	-	-	-	-	Mr. Stanley Baldwin
FOREIGN SECRETARY	-	-	-	-	Lord Curzon
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	Mr. Stanley Baldwin, Mr. Neville Chamberlain (1923)
LORD CHANCELLOR	-	-	-	-	Lord Cave
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	Lord Salisbury
HOME SECRETARY	-	-	-	-	Mr. W. C. Bridgeman
COLONIAL SECRETARY	-	-	-	-	Duke of Devonshire
SECRETARY OF STATE FOR WAR	-	-	-	-	Lord Derby
FIRST LORD OF THE ADMIRALTY	-	-	-	-	Mr. L. S. Amery
SECRETARY OF STATE FOR AIR	-	-	-	-	Sir Samuel Hoare
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	Sir P. Lloyd-Graeme
MINISTER OF HEALTH	-	-	-	-	Sir W. Joynson-Hicks
MINISTER OF AGRICULTURE	-	-	-	-	Sir R. A. Sanders
PRESIDENT OF THE BOARD OF EDUCATION	-	-	-	-	Mr. E. F. L. Wood

1924 (from January)

PRIME MINISTER	-	-	-	-	Mr. J. Ramsay MacDonald
FOREIGN SECRETARY	-	-	-	-	Mr. J. Ramsay MacDonald
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	Mr. Philip Snowden
LORD CHANCELLOR	-	-	-	-	Lord Haldane
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	Lord Parmoor

APPENDICES

1924 (from January) continued

HOME SECRETARY	-	-	-	-	-	Mr. J. R. Clynes
COLONIAL SECRETARY	-	-	-	-	-	Mr. J. H. Thomas
SECRETARY OF STATE FOR WAR	-	-	-	-	-	Mr. S. Walsh
FIRST LORD OF THE ADMIRALTY	-	-	-	-	-	Lord Chelmsford
SECRETARY OF STATE FOR AIR	-	-	-	-	-	Lord Thomson
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	-	Mr. Sydney Webb
MINISTER OF HEALTH	-	-	-	-	-	Mr. J. Wheatley
MINISTER OF AGRICULTURE	-	-	-	-	-	Mr. Noel Buxton
PRESIDENT OF THE BOARD OF EDUCATION	-	-	-	-	-	Mr. C. P. Trevelyan

1924 (from November)

PRIME MINISTER	-	-	-	-	-	Mr. Stanley Baldwin
FOREIGN SECRETARY	-	-	-	-	-	Sir Austen Chamberlain
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	-	Mr. Winston Churchill
LORD CHANCELLOR	-	-	-	-	-	Lord Cave, Lord Hailsham (1928)
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	-	Lord Curzon, Lord Balfour
HOME SECRETARY	-	-	-	-	-	Sir W. Joynson-Hicks
COLONIAL SECRETARY	-	-	-	-	-	Mr. L. S. Amery
SECRETARY OF STATE FOR WAR	-	-	-	-	-	Sir L. Worthington-Evans
FIRST LORD OF THE ADMIRALTY	-	-	-	-	-	Mr. W. C. Bridgeman
SECRETARY OF STATE FOR AIR	-	-	-	-	-	Sir Samuel Hoare
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	-	Sir Philip Cunliffe-Lister
MINISTER OF HEALTH	-	-	-	-	-	Mr. Neville Chamberlain
MINISTER OF AGRICULTURE	-	-	-	-	-	Mr. E. F. L. Wood, Mr. W. E. Guinness (1925)
PRESIDENT OF THE BOARD OF EDUCATION	-	-	-	-	-	Lord Eustace Percy

1929 (from June)

PRIME MINISTER	-	-	-	-	-	Mr. J. Ramsay MacDonald
FOREIGN SECRETARY	-	-	-	-	-	Mr. Arthur Henderson
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	-	Mr. Philip Snowden
LORD CHANCELLOR	-	-	-	-	-	Lord Sankey
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	-	Lord Parmoor
HOME SECRETARY	-	-	-	-	-	Mr. J. R. Clynes
DOMINIONS SECRETARY	-	-	-	-	-	Lord Passfield, Mr. J. H. Thomas (1930)
SECRETARY OF STATE FOR WAR	-	-	-	-	-	Mr. T. Shaw
FIRST LORD OF THE ADMIRALTY	-	-	-	-	-	Mr. A. V. Alexander
SECRETARY OF STATE FOR AIR	-	-	-	-	-	Lord Thomson, Lord Amulree (1930)
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	-	Mr. W. Graham
MINISTER OF HEALTH	-	-	-	-	-	Mr. Arthur Greenwood
MINISTER OF AGRICULTURE	-	-	-	-	-	Mr. Noel Buxton, Dr. C. Addison (1930)
PRESIDENT OF THE BOARD OF EDUCATION	-	-	-	-	-	Sir C. P. Trevelyan, Mr. H. B. Lees-Smith (1931)

1931 (from August)

PRIME MINISTER	-	-	-	-	-	Mr. J. Ramsay MacDonald
FOREIGN SECRETARY	-	-	-	-	-	Lord Reading
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	-	Mr. Philip Snowden

1931 (from August) continued

LORD CHANCELLOR	-	-	-	-	-	Lord Sankey
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	-	Mr. Stanley Baldwin
HOME SECRETARY	-	-	-	-	-	Sir Herbert Samuel
COLONIAL SECRETARY	-	-	-	-	-	Mr. J. H. Thomas
DOMINIONS SECRETARY	-	-	-	-	-	Mr. J. H. Thomas
MINISTER OF HEALTH	-	-	-	-	-	Mr. Neville Chamberlain
SECRETARY OF STATE FOR INDIA	-	-	-	-	-	Sir Samuel Hoare
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	-	Sir Philip Cunliffe-Lister

1931 (from November)

PRIME MINISTER	-	-	-	-	-	Mr. J. Ramsay MacDonald
FOREIGN SECRETARY	-	-	-	-	-	Sir John Simon
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	-	Mr. Neville Chamberlain
LORD CHANCELLOR	-	-	-	-	-	Lord Sankey
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	-	Mr. Stanley Baldwin
LORD PRIVY SEAL	-	-	-	-	-	Viscount Snowden, Mr. Stanley Baldwin (1932), Mr. Anthony Eden (1934)
HOME SECRETARY	-	-	-	-	-	Sir Herbert Samuel, Sir John Gilmour (1932)
COLONIAL SECRETARY	-	-	-	-	-	Sir Philip Cunliffe-Lister
DOMINIONS SECRETARY	-	-	-	-	-	Mr. J. H. Thomas
SECRETARY OF STATE FOR WAR	-	-	-	-	-	Lord Hailsham
FIRST LORD OF THE ADMIRALTY	-	-	-	-	-	Sir Bolton Eyres-Monsell
SECRETARY OF STATE FOR AIR	-	-	-	-	-	Lord Londonderry
MINISTER OF HEALTH	-	-	-	-	-	Sir E. Hilton Young
SECRETARY OF STATE FOR INDIA	-	-	-	-	-	Sir Samuel Hoare
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	-	Sir Walter Runciman
MINISTER OF AGRICULTURE	-	-	-	-	-	Sir John Gilmour, Mr. Walter Elliot (1932)
PRESIDENT OF THE BOARD OF EDUCATION	-	-	-	-	-	Sir Donald Maclean, Lord Irwin (1932)
SECRETARY OF STATE FOR SCOTLAND	-	-	-	-	-	Sir Archibald Sinclair, Sir Godfrey Collins (1932)
MINISTER OF LABOUR	-	-	-	-	-	Sir Henry Betterton
FIRST COMMISSIONER OF WORKS	-	-	-	-	-	Mr. W. Ormsby-Gore

1935 (from June)

PRIME MINISTER	-	-	-	-	-	Mr. Stanley Baldwin
FOREIGN SECRETARY	-	-	-	-	-	Sir Samuel Hoare
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	-	Mr. Neville Chamberlain
LORD CHANCELLOR	-	-	-	-	-	Lord Hailsham
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	-	Mr. J. Ramsay MacDonald
HOME SECRETARY	-	-	-	-	-	Sir John Simon
COLONIAL SECRETARY	-	-	-	-	-	Mr. Malcolm MacDonald
DOMINIONS SECRETARY	-	-	-	-	-	Mr. J. H. Thomas
MINISTER OF HEALTH	-	-	-	-	-	Sir Kingsley Wood
SECRETARY OF STATE FOR WAR	-	-	-	-	-	Lord Halifax
FIRST LORD OF THE ADMIRALTY	-	-	-	-	-	Sir B. Eyres-Monsell
SECRETARY OF STATE FOR AIR	-	-	-	-	-	Sir Philip Cunliffe-Lister
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	-	Mr. Walter Runciman
MINISTER OF AGRICULTURE	-	-	-	-	-	Mr. Walter Elliot
PRESIDENT OF THE BOARD OF EDUCATION	-	-	-	-	-	Mr. Oliver Stanley

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1935 (from November)

PRIME MINISTER	-	-	-	-	-	Mr. Stanley Baldwin
FOREIGN SECRETARY	-	-	-	-	-	Sir Samuel Hoare, Mr. Anthony Eden (1935)
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	-	Mr. Neville Chamberlain
LORD CHANCELLOR	-	-	-	-	-	Lord Hailsham
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	-	Mr. J. Ramsay MacDonald
HOME SECRETARY	-	-	-	-	-	Sir John Simon
COLONIAL SECRETARY	-	-	-	-	-	Mr. J. H. Thomas, Mr. W. Ormsby-Gore (1936)
DOMINIONS SECRETARY	-	-	-	-	-	Mr. Malcolm MacDonald
SECRETARY OF STATE FOR WAR	-	-	-	-	-	Mr. Alfred Duff-Cooper
FIRST LORD OF THE ADMIRALTY	-	-	-	-	-	Lord Monsell, Sir Samuel Hoare (1936)
MINISTER OF HEALTH	-	-	-	-	-	Sir Kingsley Wood
MINISTER OF AGRICULTURE	-	-	-	-	-	Mr. W. S. Morrison
PRESIDENT OF THE BOARD OF EDUCATION	-	-	-	-	-	Mr. Oliver Stanley

1937 (from May)

PRIME MINISTER	-	-	-	-	-	Mr. Neville Chamberlain
FOREIGN SECRETARY	-	-	-	-	-	Mr. Anthony Eden, Lord Halifax (1938)
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	-	Sir John Simon
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	-	Lord Halifax, Lord Hailsham (1938), Lord Runciman (1938)
LORD CHANCELLOR	-	-	-	-	-	Lord Hailsham, Lord Maugham (1938)
HOME SECRETARY	-	-	-	-	-	Sir Samuel Hoare
COLONIAL SECRETARY	-	-	-	-	-	Mr. W. Ormsby-Gore, Mr. Malcolm MacDonald (1938)
DOMINIONS SECRETARY	-	-	-	-	-	Lord Stanley, Mr. Malcolm MacDonald (1938), Sir Thomas Inskip (1939)
SECRETARY OF STATE FOR WAR	-	-	-	-	-	Mr. Leslie Hore-Belisha
FIRST LORD OF THE ADMIRALTY	-	-	-	-	-	Mr. Alfred Duff-Cooper, Lord Stanhope (1938)
SECRETARY OF STATE FOR AIR	-	-	-	-	-	Lord Swinton, Sir Kingsley Wood (1938)
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	-	Mr. Oliver Stanley
MINISTER OF HEALTH	-	-	-	-	-	Sir Kingsley Wood, Mr. Walter Elliot (1938)
MINISTER OF AGRICULTURE	-	-	-	-	-	Mr. W. S. Morrison, Sir Reginald Dorman-Smith (1939)
PRESIDENT OF THE BOARD OF EDUCATION	-	-	-	-	-	Lord Stanhope, Earl De La Warr (1938)

1939 (from September)

PRIME MINISTER	-	-	-	-	-	Mr. Neville Chamberlain
FOREIGN SECRETARY	-	-	-	-	-	Lord Halifax
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	-	Sir John Simon
LORD CHANCELLOR	-	-	-	-	-	Lord Caldecote
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	-	Lord Stanhope

1939 (from September) continued

HOME SECRETARY	-	-	-	-	-	Sir John Anderson
COLONIAL SECRETARY	-	-	-	-	-	Mr. Malcolm MacDonald
DOMINIONS SECRETARY	-	-	-	-	-	Mr. Anthony Eden
SECRETARY OF STATE FOR WAR	-	-	-	-	-	Mr. Leslie Hore-Belisha, Mr. Oliver Stanley (1940)
FIRST LORD OF THE ADMIRALTY	-	-	-	-	-	Mr. Winston Churchill
SECRETARY OF STATE FOR AIR	-	-	-	-	-	Sir Kingsley Wood, Sir Samuel Hoare (1940)
MINISTER OF HEALTH	-	-	-	-	-	Mr. Walter Elliot
MINISTER OF AGRICULTURE	-	-	-	-	-	Sir Reginald Dorman-Smith
PRESIDENT OF THE BOARD OF EDUCATION	-	-	-	-	-	Earl De La Warr

1940 (from May)

PRIME MINISTER	-	-	-	-	-	Mr. Winston Churchill
FOREIGN SECRETARY	-	-	-	-	-	Lord Halifax, Mr. Anthony Eden (1940)
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	-	Sir Kingsley Wood, Sir John Anderson (1943)
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	-	Mr. Neville Chamberlain, Sir John Anderson (1940), Mr. C. R. Attlee (1943)
LORD PRIVY SEAL	-	-	-	-	-	Mr. C. R. Attlee
HOME SECRETARY	-	-	-	-	-	Sir John Anderson, Mr. Herbert Morrison (1940)
COLONIAL SECRETARY	-	-	-	-	-	Lord Lloyd, Lord Moyne (1941), Lord Cranborne (1942), Mr. Oliver Stan- ley (1942)
DOMINIONS SECRETARY	-	-	-	-	-	Lord Caldecote, Lord Cranborne (1940), Mr. C. R. Attlee (1942), Lord Cranborne (1943)
SECRETARY OF STATE FOR WAR	-	-	-	-	-	Mr. Anthony Eden, Mr. David Margesson (1940), Sir James Grigg (1942)
FIRST LORD OF THE ADMIRALTY	-	-	-	-	-	Mr. A. V. Alexander
SECRETARY OF STATE FOR AIR	-	-	-	-	-	Sir Archibald Sinclair
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	-	Sir Andrew Duncan, Mr. Oliver Lyttelton (1940), Sir Andrew Duncan (1941), Col. J. J. Llewellyn (1942), Mr. Hugh Dalton (1942)
MINISTER OF AIRCRAFT PRODUCTION	-	-	-	-	-	Lord Beaverbrook
MINISTER OF HEALTH	-	-	-	-	-	Mr. Malcolm MacDonald, Mr. Ernest Brown (1941), Mr. H. U. Willink (1943)
MINISTER OF AGRICULTURE	-	-	-	-	-	Mr. R. S. Hudson
MINISTER OF LABOUR AND NATIONAL SERVICE	-	-	-	-	-	Mr. Ernest Bevin
PRESIDENT OF THE BOARD OF EDUCATION	-	-	-	-	-	Mr. H. Ramsbotham, Mr. R. A. Butler (1941)

1945 (from May)

PRIME MINISTER	-	-	-	-	-	Mr. Winston Churchill
FOREIGN SECRETARY	-	-	-	-	-	Mr. Anthony Eden

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1945 (from May) continued

CHANCELLOR OF THE EXCHEQUER	-	-	-	Sir John Anderson
LORD PRESIDENT OF THE COUNCIL	-	-	-	Lord Woolton
LORD PRIVY SEAL	-	-	-	Lord Beaverbrook
HOME SECRETARY	-	-	-	Sir Donald Somervell
COLONIAL SECRETARY	-	-	-	Mr. Oliver Stanley
DOMINIONS SECRETARY	-	-	-	Lord Cranborne
SECRETARY OF STATE FOR INDIA	-	-	-	Mr. L. S. Amery
SECRETARY OF STATE FOR WAR	-	-	-	Sir James Grigg
FIRST LORD OF THE ADMIRALTY	-	-	-	Mr. Brenden Bracken
SECRETARY OF STATE FOR AIR	-	-	-	Mr. Harold Macmillan
SECRETARY OF STATE FOR SCOTLAND	-	-	-	Lord Rosebery
MINISTER OF HEALTH	-	-	-	Mr. H. U. Willink
MINISTER OF AGRICULTURE	-	-	-	Mr. R. S. Hudson
PRESIDENT OF THE BOARD OF TRADE	-	-	-	Mr. Oliver Lyttelton

1945 (from August)

PRIME MINISTER	-	-	-	-	Mr. C. R. Attlee
FOREIGN SECRETARY	-	-	-	-	Mr. Ernest Bevin
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	Mr. Hugh Dalton, Sir Stafford Cripps (1947)
LORD CHANCELLOR	-	-	-	-	Lord Jowitt
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	Mr. Herbert Morrison
LORD PRIVY SEAL	-	-	-	-	Mr. Arthur Greenwood
HOME SECRETARY	-	-	-	-	Mr. J. Chuter Ede
COLONIAL SECRETARY	-	-	-	-	Mr. George Hall, Mr. Arthur Creech Jones (1946)
DOMINIONS SECRETARY	-	-	-	-	Lord Addison
SECRETARY OF STATE FOR INDIA	-	-	-	-	Lord Pethwick-Lawrence
SECRETARY OF STATE FOR WAR	-	-	-	-	Mr. J. J. Lawson, Mr. F. J. Bellenger (1946), Mr. Emmanuel Shinwell (1947)
FIRST LORD OF THE ADMIRALTY	-	-	-	-	Mr. A. V. Alexander, Lord Hall (1947)
SECRETARY OF STATE FOR AIR	-	-	-	-	Lord Stansgate, Mr. Philip Noel-Baker (1946), Mr. Arthur Henderson (1947)
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	Sir Stafford Cripps, Mr. Harold Wilson (1947)
SECRETARY OF STATE FOR SCOTLAND	-	-	-	-	Mr. J. Westwood, Mr. Arthur Woodburn (1947)
MINISTER OF HEALTH	-	-	-	-	Mr. Aneurin Bevan
MINISTER OF AGRICULTURE	-	-	-	-	Mr. Tom Williams
MINISTER OF LABOUR	-	-	-	-	Mr. George Isaacs
MINISTER OF FUEL AND POWER	-	-	-	-	Mr. Emmanuel Shinwell, Mr. Hugh Gaitskell (1947)

1950 (from March)

PRIME MINISTER	-	-	-	-	Mr. C. R. Attlee
FOREIGN SECRETARY	-	-	-	-	Mr. Ernest Bevin, Mr Herbert Morrison (1951,

1950 (from March) continued

CHANCELLOR OF THE EXCHEQUER	-	-	-	-	-	Sir Stafford Cripps, Mr. Hugh Gaitskell (1950)
LORD CHANCELLOR	-	-	-	-	-	Lord Jowitt
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	-	Mr. Herbert Morrison, Lord Addison (1951)
LORD PRIVY SEAL	-	-	-	-	-	Lord Addison, Mr. Ernest Bevin (1951), Mr. R. R. Stokes (1951)
HOME SECRETARY	-	-	-	-	-	Mr. J. Chuter Ede
COLONIAL SECRETARY	-	-	-	-	-	Mr. James Griffiths
SECRETARY OF STATE FOR COMMONWEALTH RELATIONS	-	-	-	-	-	Mr. Patrick Gordon-Walker
CHANCELLOR OF THE DUCHY OF LANCASTER	-	-	-	-	-	Viscount Alexander of Hillsborough
SECRETARY OF STATE FOR SCOTLAND	-	-	-	-	-	Mr. Hector McNeil
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	-	Mr. Harold Wilson, Sir Hartley Shawcross (1951)
MINISTER OF HEALTH	-	-	-	-	-	Mr. Aneurin Bevan, Mr. Hilary Marquand (1951)
MINISTER OF LABOUR	-	-	-	-	-	Mr. George Isaacs, Mr. Aneurin Bevan (1951), Mr. Alfred Robens (1951)
MINISTER OF AGRICULTURE	-	-	-	-	-	Mr. Tom Williams
MINISTER OF EDUCATION	-	-	-	-	-	Mr. George Tomlinson
MINISTER OF TOWN AND COUNTRY PLANNING	-	-	-	-	-	Mr. Hugh Dalton

1951 (from November)

PRIME MINISTER	-	-	-	-	-	Mr. Winston Churchill
FOREIGN SECRETARY	-	-	-	-	-	Mr. Anthony Eden
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	-	Mr. R. A. Butler
LORD CHANCELLOR	-	-	-	-	-	Lord Simonds
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	-	Lord Woolton
LORD PRIVY SEAL	-	-	-	-	-	Lord Salisbury
HOME SECRETARY AND MINISTER FOR WELSH AFFAIRS	-	-	-	-	-	Sir David Maxwell Fyfe
SECRETARY OF STATE FOR COMMONWEALTH RELATIONS	-	-	-	-	-	Lord Ismay, Lord Salisbury (1952), Lord Swinton (1952)
COLONIAL SECRETARY	-	-	-	-	-	Mr. Oliver Lyttelton, Mr. Alan Lennox-Boyd (1954)
SECRETARY OF STATE FOR SCOTLAND	-	-	-	-	-	Mr. J. C. Stuart
SECRETARY OF STATE FOR THE CO-ORDINATION OF TRANSPORT, FUEL AND POWER	-	-	-	-	-	Lord Leathers
MINISTER OF HEALTH	-	-	-	-	-	Mr. H. F. C. Crookshank, Mr. Iain Macleod (1952)
MINISTER OF LABOUR AND NATIONAL SERVICE	-	-	-	-	-	Sir Walter Monckton
MINISTER OF HOUSING AND LOCAL GOVERNMENT	-	-	-	-	-	Mr. Harold Macmillan
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	-	Mr. Peter Thorneycroft
PAYMASTER-GENERAL	-	-	-	-	-	Lord Cherwell

APPENDICES

1955 (from June)

PRIME MINISTER	-	-	-	-	-	Sir Anthony Eden
FOREIGN SECRETARY	-	-	-	-	-	Mr. Harold Macmillan
CHANCELLOR OF THE EXCHEQUER	-	-	-	-	-	Mr. R. A. Butler
LORD PRESIDENT OF THE COUNCIL	-	-	-	-	-	Lord Salisbury
LORD PRIVY SEAL	-	-	-	-	-	Mr. H. F. C. Crookshank
LORD CHANCELLOR	-	-	-	-	-	Lord Kilmuir
HOME SECRETARY AND MINISTER FOR WELSH AFFAIRS	-	-	-	-	-	Mr. Gwilym Lloyd George
CHANCELLOR OF THE DUCHY OF LANCASTER	-	-	-	-	-	Lord Woolton
COLONIAL SECRETARY	-	-	-	-	-	Mr. Alan Lennox-Boyd
SECRETARY OF STATE FOR COMMONWEALTH RELATIONS	-	-	-	-	-	Earl of Home
MINISTER OF DEFENCE	-	-	-	-	-	Mr. Selwyn Lloyd
SECRETARY OF STATE FOR WAR	-	-	-	-	-	Mr. Anthony Head
FIRST LORD OF THE ADMIRALTY	-	-	-	-	-	Mr. J. P. L. Thomas
SECRETARY OF STATE FOR AIR	-	-	-	-	-	Lord De L'Isle and Dudley
PRESIDENT OF THE BOARD OF TRADE	-	-	-	-	-	Mr. Peter Thorneycroft
SECRETARY OF STATE FOR SCOTLAND	-	-	-	-	-	Mr. James Stuart
MINISTER OF LABOUR	-	-	-	-	-	Sir Walter Monckton
MINISTER OF HOUSING AND LOCAL GOVERNMENT	-	-	-	-	-	Mr. Duncan Sandys
MINISTER OF HEALTH	-	-	-	-	-	Mr. Iain Macleod
MINISTER OF AGRICULTURE	-	-	-	-	-	Mr. Heathcote-Amory
MINISTER OF EDUCATION	-	-	-	-	-	Sir David Eccles
MINISTER OF TRANSPORT	-	-	-	-	-	Mr. John Boyd-Carpenter
MINISTER OF SUPPLY	-	-	-	-	-	Mr. Reginald Maudling
MINISTER OF FUEL AND POWER	-	-	-	-	-	Mr. Geoffrey Lloyd
MINISTER OF WORKS	-	-	-	-	-	Mr. Nigel Birch
MINISTER OF PENSIONS	-	-	-	-	-	Mr. Osbert Peake
POSTMASTER-GENERAL	-	-	-	-	-	Dr. Charles Hill
ATTORNEY-GENERAL	-	-	-	-	-	Sir Reginald Manningham-Buller

A Select Bibliography

So many books, documents, journals and newspapers relate to the political history of the present century that it would be quite impossible to list them here. Instead, a selection has been made from the sources which have helped in the compilation of this book and from the many other important works which have a direct bearing on the nature and content of this history.

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